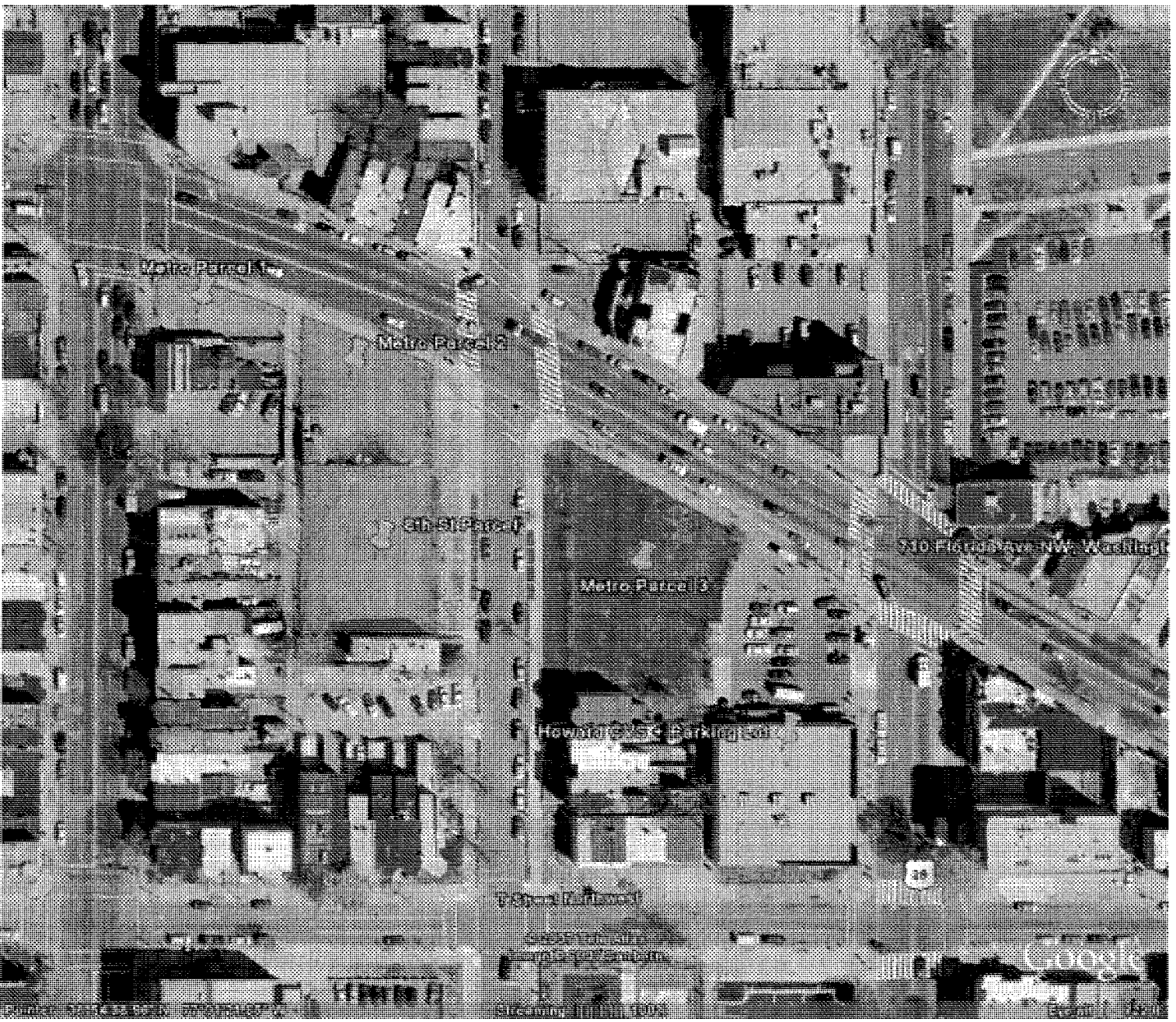

Metro Parcel 1
Metro Parcel 2
Metro Parcel 3
Google

From: Josh Adler <josh@lakritzadler.com>
Sent: Wednesday, April 30, 2008 7:59 PM
To: 'Robb LaKritz' <robb@lakritzadler.com>
Subject: 1920 8th pro forma and cash flow
Attach: 1920 8th Argus Summary Pro Forma Export 4-30-08.xls; 1920 8th Argus 10-year Annual Cash Flow Export 4-30-08.xls

---

Attached are the Excel exports from Argus Developer for 1920 8th Street – a summary pro forma and a summary 10 year annual cash flow. (I can easily export a monthly cash flow for ten years if you want)

A few comments:

1) This assumes we finance 95% of cost with 7% bank loan, with 5% coming from developer cash. This does not attempt to demonstrate the correct valuation of the land equity. I'm just making a very loose estimate that the land equity will be enough that we will get 95% of cost financed by a bank. If you look at the rough numbers, we should be able to get close to 100% financing with the land equity in place, but to calculate that we need to add the land value to the total development cost. For example, if total cost without land is $15 million (which is about right) and we say land equity is worth $5 million, then land equity is 25% of total cost of $20 million. If land is equal to cash for collateral purposes, a bank with 75% LTC requirement (and that should be the lowest LTC requirement we would hit), should let us build the whole thing with no cash at all. I am assuming, however, that most banks will require some cash, even if the land equity is more than sufficient to hit LTC requirement. Hence the assumption of 95% bank loan, 5% cash.
2) This pro forma assumes we sell at end of ground lease term. If we sold sooner, our IRR would be much higher, but hard to say how much higher. Conceptually it is difficult to figure out how much the building would sell for earlier, because we have to assume a NPV cost to the ground lease to a buyer at that future moment in time, and then determine how that impacts their valuation of the building, which is sort of a brain twister that I didn't feel like dealing with.
3) I didn't create a separate pre-construction development loan in here. I assume if the project will underwrite for a construction loan, it will certainly underwrite for a low LTV development loan.

If these are not adequate for the banks to start underwriting for development loan, let me know the specific changes requested and I will update.

LAKRITZ | ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G	H	I
1				%	$	$	$	$	$
2									
3		**Project Proforma for Part 1 1920 8th St Office/Retail**							
4									
5		**REVENUE**							
6		**Rental Area Summary**		ft²	Rate ft²	Rent at	Rent At		
7						Lease Start	Sale		
8			‡ Office Space	36700	$42.00	1717850	2051202		
9			‡ Tuck-under Parking	11750	$3.98	52157	62279		
10			‡ Retail Space	8007	$35.00	312326	372933		
11			Totals	56457		2082333	2486414		
12									
13		**Investment Valuation**							
14			Office Space						
15			- 33.000% non recov. cost						
16			Capitalized Rent	1374306	Cap Rate	6.50%	21143164		
17			Tuck-under Parking						
18			Capitalized Rent	62279	Cap Rate	6.50%	958133		
19			Retail Space						
20			Capitalized Rent	372933	Cap Rate	6.50%	5737434		
21							27838730		
22									
23		**Income from Tenants**							
24			Office Space			7212974			
25			Tuck-under Parking			352945			
26			Retail Space			2113484			
27							9679402		
28		**TOTAL PROJECT REVENUE**					37518132		
29									
30		**DEVELOPMENT COSTS**							
31									
32		**ACQUISITION COSTS**							
33			8th Street Land Option (Year 10)		3420000				
34			8th St 1st Year Ground Lease		325000				
35			8th St Ground Lease Renewal 1-4		600000				
36			8th St Ground Lease Renewal 5-9		1000020				
37			Arts Credits (assume no bonus)		250000				
38			8th St Combination Fee		30000				
39			8th Street Resubordination Fee		175000				
40			8th Street RE Tax pre-construction		203500				
41			Total Acquisition (0.25 Acres $24,014,080.00 pAcre)			6003520			
42			Third Party Reports			50000			
43			Title Insurance		0.5	27975			
44							6081495		
45		**CONSTRUCTION COSTS**							
46		**Construction**		ft²	Rate ft²	Cost			
47			‡ Office Space	39593	$135.00	5837924			
48			‡ Tuck-under Parking	11750	$25.00	320843			
49			‡ Retail Space	8007	$135.00	1180619			
50			Totals	59350		7339386	7339386		

WMATA-INV 016068

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G	H	I
51									
52			Contingency		10	733939			
53			Metro Site Work			250000			
54			Permits			50000			
55			Permits		1.5	110091			
56							1144029		
57		**Other Construction**							
58			Insurance		0.5	36697			
59							36697		
60		**Municipal Costs**							
61			RE Tax during Construction			60000			
62							60000		
63		**TI Costs**							
64			TI Cost Area Rate - Office Space		60	2454071			
65			TI Cost Area Rate - Retail Space		60	535415			
66							2989487		
67		**PROFESSIONAL FEES**							
68			Architect + Engineer			450000			
69			Legal		1.5	110091			
70			Soft Cost Contingency		10	80688			
71							640779		
72		**MARKETING & LEASING**							
73			Marketing			50000			
74			Leasing Legal Fees		2	29266			
75		**Leasing Commissions**							
76			Office Space			630949			
77			Tuck-under Parking			29896			
78			Retail Space			179023			
79							919134		
80		**DISPOSAL FEES**							
81			Sales Agent Fee		4.5	1252743			
82							1252743		
83		**Additional Costs**							
84			Dev. Management Fee		3	236984			
85							236984		
86		**FINANCE**							
87			Interest paid to Debt Sources:						
88			Construction Loan (7.00%)		1,535,798				
89			Total Interest paid to debt financing			1,535,798			
90			Mortgage Interest (7.00%)			5,810,439			
91									
92			Total Interest Paid			7,346,237			
93									
94			Debt Financing Fees						
95			Construction Loan - Legal Fees (Single)		100,000				
96			Construction Loan - Bank Fee (1.00%) (Single)		152,802				
97			Construction Loan - Recordation, Title (2.00%) (Single)		305,605				
98									
99			Total Debt Financing Fees			558,407			
100									

WMATA-INV 016069

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G	H	I
101			Total Finance Cost				7904644		
102									
103		**TOTAL COSTS**					28605378		
104									
105		**PROFIT**							
106			Developer Equity						
107			Residual Percentage (100.00%)		8912754				
108						8912754			
109							8912754		
110									
111		**Performance Measures**							
112			Profit on Cost%		31.1576				
113			Profit on GDV%		32.0157				
114			Development Yield% (on Rent)		6.3258				
115									
116			Pre-Finance IRR%		13.3688				
117			Project IRR% (with Interest)		14.8075				
118			Equity IRR% (with Interest)		33.9588				
119									
120			‡ Inflation/Escalation applied						
121									
122		**Escalation on Capitalized Rent**				Unescalated	Escalation	Total	
123			Office Space	Office Rent at 3.00%		15888277	5254887	21143164	
124			Tuck-under Parking	Office Rent at 3.00%		720000	238133	958133	
125			Retail Space	Office Rent at 3.00%		4311462	1425972	5737434	
126									
127		**Inflation on Construction Costs**				Uninflated	Inflation	Total	
128			Office Space	Construction CPI at 3.00%		5345055	492869	5837924	
129			Tuck-under Parking	Construction CPI at 3.00%		293756	27087	320843	
130			Retail Space	Construction CPI at 3.00%		1080945	99674	1180619	

WMATA-INV 016070

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G	H	I	J
1		**Heading**	**Category**	**Total**	**7-Sep**	**Oct 07: Sep 08**	**Oct 08: Sep 09**	**Oct 09: Sep 10**	**Oct 10: Sep 11**	**Oct 11: Sep 12**
2						**1**	**13**	**25**	**37**	**49**
3	**Revenue**									
4		R Flow - Office Space	7	7,212,974	0	0	0	0	0	970,642
5		R Flow - Tuck-under Parking	7	352,945	0	0	0	0	17,386	52,679
6		R Flow - Retail Space	7	2,113,484	0	0	0	0	104,109	315,449
7		Cap - Office Space	4	21,143,164	0	0	0	0	0	0
8		Cap - Tuck-under Parking	4	958,133	0	0	0	0	0	0
9		Cap - Retail Space	4	5,737,434	0	0	0	0	0	0
10	**Total for Revenue**			**37,518,132**	**0**	**0**	**0**	**0**	**121,494**	**1,338,770**
11	**Disposal Costs**									
12		Purchaser's Costs	8	0	0	0	0	0	0	0
13		Sales Agent Fee	9	-1,252,743	0	0	0	0	0	0
14	**Total for Disposal Costs**			**-1,252,743**	**0**	**0**	**0**	**0**	**0**	**0**
15	**Acquisition Costs**									
16		8th Street Land Option (Year 10)	86	-3,420,000	0	0	0	0	0	0
17		8th St 1st Year Ground Lease	86	-325,000	0	-318,750	-6,250	0	0	0
18		8th St Ground Lease Renewal 1-4	86	-600,000	0	0	-150,000	-150,000	-150,000	-150,000
19		8th St Ground Lease Renewal 5-9	86	-1,000,020	0	0	0	0	0	0
20		Arts Credits (assume no bonus)	86	-250,000	0	0	0	-250,000	0	0
21		8th St Combination Fee	86	-30,000	0	-30,000	0	0	0	0
22		8th Street Resubordination Fee	86	-175,000	0	0	0	0	0	-175,000
23		8th Street RE Tax pre-construction	86	-203,500	0	-50,875	-50,875	-50,875	-50,875	0
24		Third Party Reports	20	-50,000	0	0	-50,000	0	0	0
25		Title Insurance	21	-27,975	0	-1,594	-781	-2,000	-750	-750
26	**Total for Acquisition Costs**			**-6,081,495**	**0**	**-401,219**	**-257,906**	**-452,875**	**-201,625**	**-325,750**
27	**Construction Costs**									
28		Metro Site Work	28	-250,000	0	0	0	-250,000	0	0
29		Con. - Office Space	24	-5,837,924	0	0	0	-2,682,776	-3,155,148	0
30		Con. - Tuck-under Parking	24	-320,843	0	0	0	-147,441	-173,402	0
31		Con. - Retail Space	24	-1,180,619	0	0	0	-542,545	-638,074	0
32		Insurance	79	-36,697	0	0	0	-16,864	-19,833	0
33		RE Tax during Construction	84	-60,000	0	0	0	-27,750	-32,250	0
34		Contingency	25	-733,939	0	0	0	-339,447	-394,492	0
35		Permits	29	-50,000	0	0	0	-50,000	0	0
36		Permits	29	-110,091	0	0	0	-110,091	0	0
37	**Total for Construction Costs**			**-8,580,112**	**0**	**0**	**0**	**-4,166,913**	**-4,413,199**	**0**
38	**TI Costs**									
39		TI Cost Area Rate - Office Space	96	-2,454,071	0	0	0	0	-2,454,071	0
40		TI Cost Area Rate - Retail Space	96	-535,415	0	0	0	0	-535,415	0
41	**Total for TI Costs**			**-2,989,487**	**0**	**0**	**0**	**0**	**-2,989,487**	**0**
42	**Professional Fees**									
43		Architect + Engineer	32	-450,000	0	-168,750	-281,250	0	0	0
44		Legal	37	-110,091	0	-27,523	-55,045	-27,523	0	0
45		Soft Cost Contingency	38	-80,688	0	-3,367	-26,404	-25,115	-22,027	-3,646
46	**Total for Professional Fees**			**-640,779**	**0**	**-199,640**	**-362,699**	**-52,638**	**-22,027**	**-3,646**
47	**Marketing/Leasing**									
48		Marketing	40	-50,000	0	0	0	-25,000	-25,000	0
49		Leasing Cost	41	0	0	0	0	0	0	0
50		Leasing Legal Fees	42	-29,266	0	0	0	0	-29,266	0

WMATA-INV 016072

FOIA CONFIDENTIAL TREATMENT REQUESTED

	K	L	M	N	O
1	**Oct 12: Sep 13**	**Oct 13: Sep 14**	**Oct 14: Sep 15**	**Oct 15: Sep 16**	**Oct 16: Sep 17**
2	**61**	**73**	**85**	**97**	**109**
3					
4	1,197,343	1,233,263	1,270,261	1,308,369	1,233,095
5	54,259	55,887	57,564	59,291	55,879
6	324,912	334,660	344,700	355,041	334,614
7	0	0	0	0	21,143,164
8	0	0	0	0	958,133
9	0	0	0	0	5,737,434
10	**1,576,515**	**1,623,810**	**1,672,524**	**1,722,700**	**29,462,318**
11					
12	0	0	0	0	0
13	0	0	0	0	-1,252,743
14	**0**	**0**	**0**	**0**	**-1,252,743**
15					
16	0	0	0	0	-3,420,000
17	0	0	0	0	0
18	0	0	0	0	0
19	-200,004	-200,004	-200,004	-200,004	-200,004
20	0	0	0	0	0
21	0	0	0	0	0
22	0	0	0	0	0
23	0	0	0	0	0
24	0	0	0	0	0
25	-1,000	-1,000	-1,000	-1,000	-18,100
26	**-201,004**	**-201,004**	**-201,004**	**-201,004**	**-3,638,104**
27					
28	0	0	0	0	0
29	0	0	0	0	0
30	0	0	0	0	0
31	0	0	0	0	0
32	0	0	0	0	0
33	0	0	0	0	0
34	0	0	0	0	0
35	0	0	0	0	0
36	0	0	0	0	0
37	**0**	**0**	**0**	**0**	**0**
38					
39	0	0	0	0	0
40	0	0	0	0	0
41	**0**	**0**	**0**	**0**	**0**
42					
43	0	0	0	0	0
44	0	0	0	0	0
45	-128	0	0	0	0
46	**-128**	**0**	**0**	**0**	**0**
47					
48	0	0	0	0	0
49	0	0	0	0	0
50	0	0	0	0	0

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G	H	I	J
51		Lease Comm - Office Space	94	-630,949	0	0	0	0	-630,949	0
52		Lease Comm - Tuck-under Parking	94	-29,896	0	0	0	0	-29,896	0
53		Lease Comm - Retail Space	94	-179,023	0	0	0	0	-179,023	0
54		Rent Review Fee	77	0	0	0	0	0	0	0
55	**Total for Marketing/Leasing**			**-919,134**	**0**	**0**	**0**	**-25,000**	**-894,134**	**0**
56	**Development Management Fee**									
57		Dev. Management Fee	85	-236,984	0	-31,598	-63,196	-63,196	-63,196	-15,799
58	**Total for Development Management Fee**			**-236,984**	**0**	**-31,598**	**-63,196**	**-63,196**	**-63,196**	**-15,799**
59	**Finance Details**									
60		Net period total		16,817,398	0	-632,457	-683,802	-4,760,622	-8,462,173	993,575
61		Period Total for Interest			0	-1,152,574	-1,865,403	-5,766,115	-15,791,905	-15,829,265
62		Total Interest + Fees (All Loans)		-2,094,205	0	-558,407	-5,047	-91,998	-685,879	-752,874
63		Period Total For IRR		8,912,754	0	-1,190,864	-688,848	-4,852,620	-9,148,052	-43,930
64		Cumulative Total C/F		8,912,754	0	-1,190,864	-1,879,712	-6,732,332	-15,880,384	-15,924,315

WMATA-INV 016074

FOIA CONFIDENTIAL TREATMENT REQUESTED

	K	L	M	N	O
51	0	0	0	0	0
52	0	0	0	0	0
53	0	0	0	0	0
54	0	0	0	0	0
55	**0**	**0**	**0**	**0**	**0**
56					
57	0	0	0	0	0
58	**0**	**0**	**0**	**0**	**0**
59					
60	1,375,382	1,422,806	1,471,520	1,521,696	24,571,471
61	-15,586,338	-15,283,727	-14,919,434	-14,491,060	10,271,842
62	0	0	0	0	0
63	244,070	303,658	365,415	429,577	23,494,349
64	-15,680,245	-15,376,587	-15,011,172	-14,581,595	8,912,754

WMATA-INV 016075

From: Josh Adler <josh@lakritzadler.com>
Sent: Tuesday, May 6, 2008 1:47 PM
To: 'Malcolm Marshall' <Malcolm.Marshall@cushwake.com>
Subject: Thoughts on proceeding with 1920 8th marketing?

Thanks,

Josh

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Wednesday, May 14, 2008 6:55 PM
To: 'Kevin Ash' <kevin@ellisdenning.com>
Subject: 1920 8th St
Attach: 1920 8th St NW Plat.pdf; Florida Ave Metro Sites w Metro Entrance.jpg; 1920 8th NPV.xls; 1920 8th street standalone rendering 12-17-07.jpg

---

Kevin,

Attached is the plat and rendering for a by-right office building at 1920 8th Street. The current plans call for a 47,600 SF building, five stories, thus a footprint of about 9,520 SF. We show about 26 parking spaces in a "tuckunder" type garage that would save a lot of construction cost versus doing a true underground garage, but both are options. Under Arts overlay guidelines, site allows up to 4.5 FAR of commercial or residential space, or 50,940 square feet, height limit 65' (of course, you could add additional non-FAR private penthouse space above 65', per Moderno) Zoning is C2B Arts Overlay. Lot is 11,320 SF.

I'm also attaching a Google map showing the immediate surrounding area. Our site is marked "8th Street Lot" and shaded. We are a finalist in competition to buy the adjacent 8,565 SF lot from Metro.

We had Colbert do a residential plan for 1920 8th site a few years ago, and took it through one round with HPRB with no problems on height or mass – they do not have a problem with a new 65' high building at this site.

We will consider selling our ground lease for a one time payment. We're open to other proposals, but that would be our preference. As you know, the current offer out to the charter school is for a $3.2 million payment for purchase of the ground lease, plus reimbursement of prior ground rent payments. It is fairly easy to show, from a time-value of money analysis, that this is approximately the value of the ground lease today, given the carry cost and option exercise in ten years, and especially the value of the landlord's fee interest in the land as collateral to a construction lender. The attached Excel file demonstrates this calculation, based on the actual ground lease terms and option price.

Key Ground Lease Terms:

The property is a Delaware Limited Liability Company known as 1920 8th Street, LLC, which holds a ground lease and purchase option ("Ground Lease") to an approximately 11,320 square foot vacant lot known as Square 393, Lot 46, also known as 1916-1930 8th Street, NW, Washington, DC, zoned C-2-B Arts Overlay.

The Ground Lease contains the following essential terms:

- Medal, Inc., as Landlord and 1920 8th Street, LLC, as Tenant.
- Commences August 3, 2007, with a one year base term and nine one-year renewal options
- Ground rent of $225,000/year in the first year, $150,000/year for renewal terms 1-4, and $200,000/year for renewal terms 5-9.
- Purchase option exercisable at any time during base term and renewals. Exercise price of $4,800,000 in the base term, increasing by 1.5% in each of the first three renewal terms and then remaining fixed at $5,019,256.20 for the remainder of the renewal terms.
- $100,000 of ground rent, once paid, credited toward the purchase option in the base term and in each of the first two renewal terms, with 100% of ground rent paid following the second renewal term and in every renewal term thereafter credited toward the option price. Therefore the purchase option balance due at the end of the last renewal term (that is, on August 3, 2017) shall be $3,419,256.20.
- A one time fee of $175,000 payable to Landlord for resubordination of Landlord's fee interest in land to Tenant's permanent financing lender (if such lender is different from Tenant's construction lender), to be paid upon the sooner of: 1) resubordination of Landlord fee interest to new lender following substantial completion of project, or 2) upon exercise of purchase option.
- Landlord is obliged under the ground lease to subordinate its unencumbered fee interest in the Property to Tenant's Construction Lender (and subsequent lenders), meaning that Tenant has full use of the land value of the Property as collateral to secure its construction financing.

Thanks,

Josh
Cel 202-368-9669

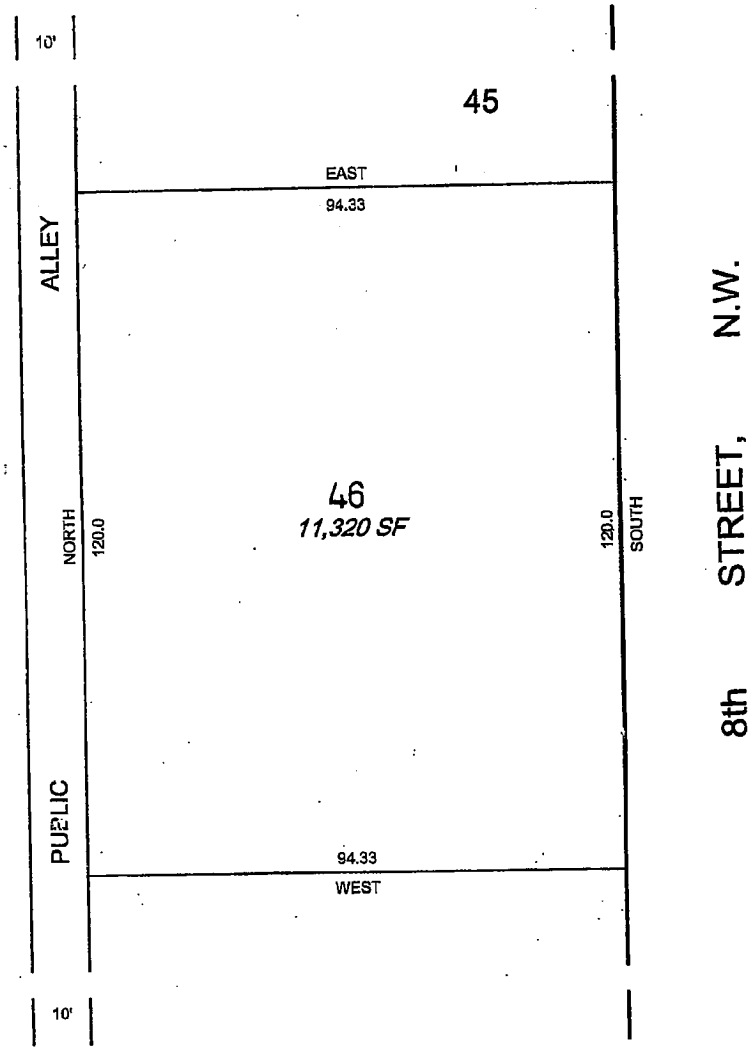
LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 016082

CONFIDENTIAL
LA 347

SUBDIVISION
SQUARE 393



Metro Parcel
Metro Parcel
Metro Parcel
Metro Parcel
Google

FOIA CONFIDENTIAL TREATMENT REQUESTED

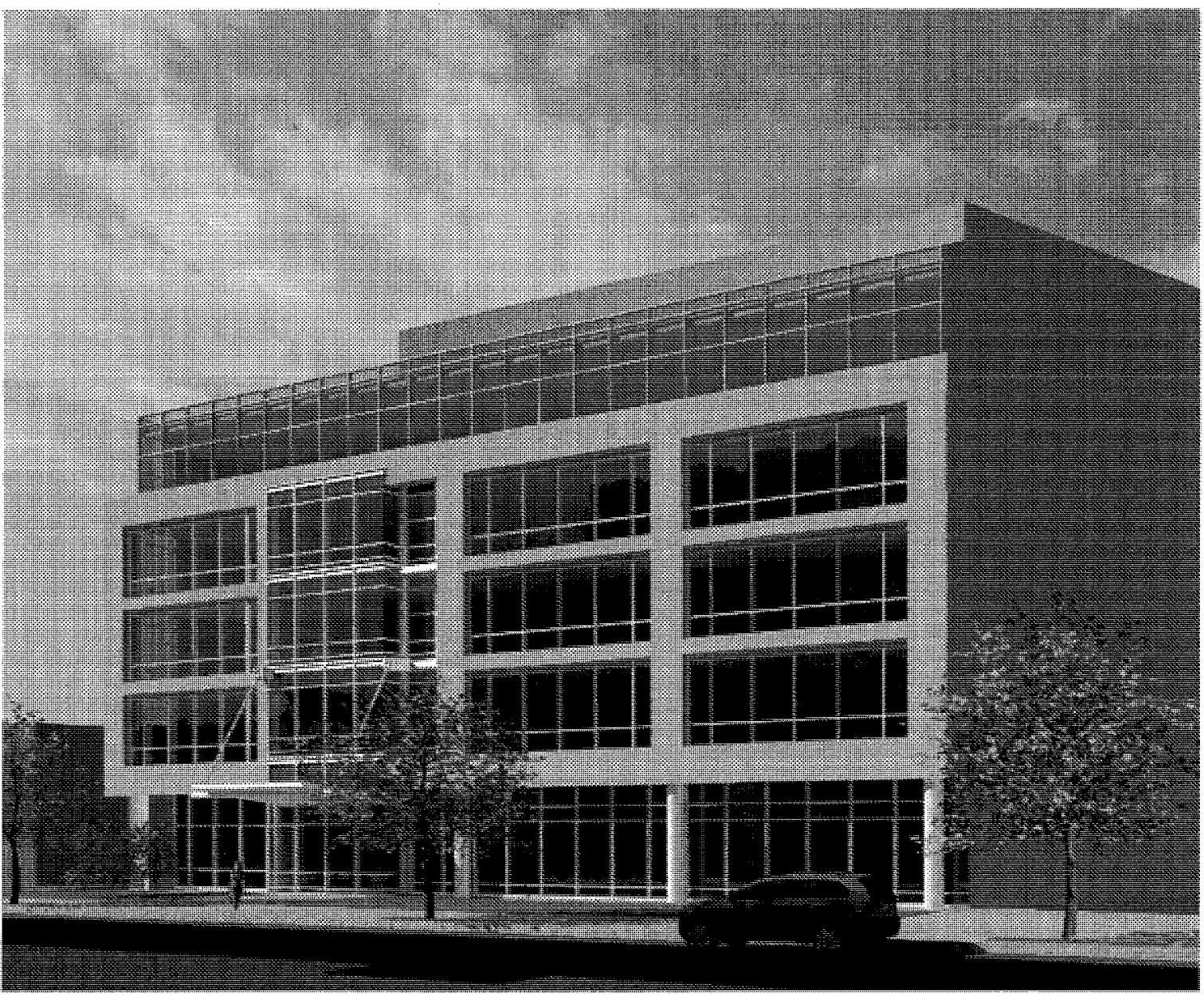
	A	B	C	D	E	F	G
1			Year	1	2	3	4
2	**Effective Discount Rate:**	14.87%	Year Ending in August of...	2008	2009	2010	2011
3	Debt Rate	8%	Ground Lease Payments (as of Year End)	*Pre-Paid*	$ 150,000.00	$ 150,000.00	$ 150,000.00
4	Equity Rate	20%	Accumulated Toward Option	$ 100,000.00	$ 200,000.00	$ 300,000.00	$ 450,000.00
5			Option Price at Year End - 1 day	$ 4,875,000.00	$ 4,847,000.00	$ 4,820,080.00	$ 4,744,256.20
6			NPV in Aug 08 if Option Exercised this Year	$ 4,875,000.00	$3,803,857.05	$3,424,242.61	$3,067,984.19
7			(Assume rent paid at year start, option at year end)				
8			Ground Lease Assignment Fee (Paid Aug 2008)	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00
9			Effective Purchase Price	$ 8,375,000.00	$ 7,303,857.05	$ 6,924,242.61	$ 6,567,984.19
10			Potental Floor Area at 4.5 FAR (SF)	50940	50940	50940	50940
11			Effective Price per FAR-foot	$ 164.41	$ 143.38	$ 135.93	$ 128.94
12		2008 Value/FAR-ft					
13		$ 120.00	Property Market Value at Year End, starting at X/FAR-ft	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14			Net Land Equity at Assignment (Replaces Cash Equity)	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15			Percentage Land Value as Cash	57.26%	57.26%	57.26%	57.26%
16			Percentage Land Value as Debt (i.e., "free" equity)	42.74%	42.74%	42.74%	42.74%
17			Debt Rate x Debt Share of Land Equity	3.42%	3.42%	3.42%	3.42%
18			Equity Rate x Cash Share of Land Equity	11.45%	11.45%	11.45%	11.45%
19			Effective Discount Rate (average cost of capital)	14.87%	14.87%	14.87%	14.87%

WMATA-INV 016086

FOIA CONFIDENTIAL TREATMENT REQUESTED

	H	I	J	K	L	M
1	5	6	7	8	9	10
2	2012	2013	2014	2015	2016	2017
3	$ 150,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00
4	$ 600,000.00	$ 800,000.00	$ 1,000,000.00	$ 1,200,000.00	$ 1,400,000.00	$ 1,600,000.00
5	$ 4,594,256.20	$ 4,394,256.20	$ 4,194,256.20	$ 3,994,256.20	$ 3,794,256.20	$ 3,594,256.20
6	$2,726,396.98	$2,441,975.74	$2,205,644.12	$2,009,717.67	$1,847,695.65	$1,714,083.29
7						
8	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	**$ 3,500,000.00**
9	$ 6,226,396.98	$ 5,941,975.74	$ 5,705,644.12	$ 5,509,717.67	$ 5,347,695.65	$ 5,214,083.29
10	50940	50940	50940	50940	50940	50940
11	$ 122.23	$ 116.65	$ 112.01	$ 108.16	$ 104.98	$ 102.36
12						
13	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15	57.26%	57.26%	57.26%	57.26%	57.26%	57.26%
16	42.74%	42.74%	42.74%	42.74%	42.74%	42.74%
17	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%
18	11.45%	11.45%	11.45%	11.45%	11.45%	11.45%
19	14.87%	14.87%	14.87%	14.87%	14.87%	14.87%

WMATA-INV 016087



From: A. Medhane <amedhane@comcast.net>
Sent: Monday, June 2, 2008 6:38 PM
To: 'Josh Adler' <josh@lakritzadler.com>; 'Clay Chavers' <chavlaw@comcast.net>; robb@lakritzadler.com; 'Curtis L. Sano Esq.' <curtis.sano@hklaw.com>
Subject: RE: Dr. Medhane

Hello Josh and Robb,

I am glad to see that you are aggressively following your projects in these turbulent days. Your U Street / 12th is turning
Look beautiful and I hope your 1920 8th office block will also succeed.

I wish you all the best.

Abraham

-----Original Message-----
From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Friday, May 30, 2008 6:31 PM
To: 'Clay Chavers'; robb@lakritzadler.com; 'Curtis L. Sano Esq.'
Cc: amedhane@comcast.net
Subject: RE: Dr. Medhane

Hi Clay,

Metro land pursuit continues with no end in sight. After a burst of activity at the end of last year, they have disappeared again.

Meantime, we are preparing to market a ~47,600 square foot office project on the 1920 8th Street site to tenants for standalone build-to-suit project, and have completed digital renderings for that purpose.

Thanks for checking in,

Josh

From: Clay Chavers [mailto:chavlaw@comcast.net]
Sent: Sunday, May 25, 2008 11:58 AM
To: robb@lakritzadler.com; josh@lakritzadler.com; Curtis L. Sano Esq.
Cc: amedhane@comcast.net
Subject: RE: Dr. Medhane

Hello Fellows.
Abraham and I were recently together having lunch at a restaurant that buttresses a building where you have a project underway. Of course we discussed our two favorite builders.
I thought I'd drop you a line just to learn of your progress. Did you get the Metro property and how are things going?
My best.
Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.
1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service

cchavers@chavlaw.com email
www.chavlaw.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

From: Josh Adler <josh@lakritzadler.com>
Sent: Tuesday, June 3, 2008 12:48 PM
To: 'robb@lakritzadler.com'
Subject: C&W call

I finally got in touch with Malcolm Marshall yesterday, and later had a call with him and McAllister. CW is not interested in marketing the 1920 8th Street office project right now, because they do not think that tenants of 50,000 SF or less are looking at office deliveries 2+ years out, which is the soonest we could deliver that project. It would be different if we had 90,000 SF, where some tenants do look 2+ years out.

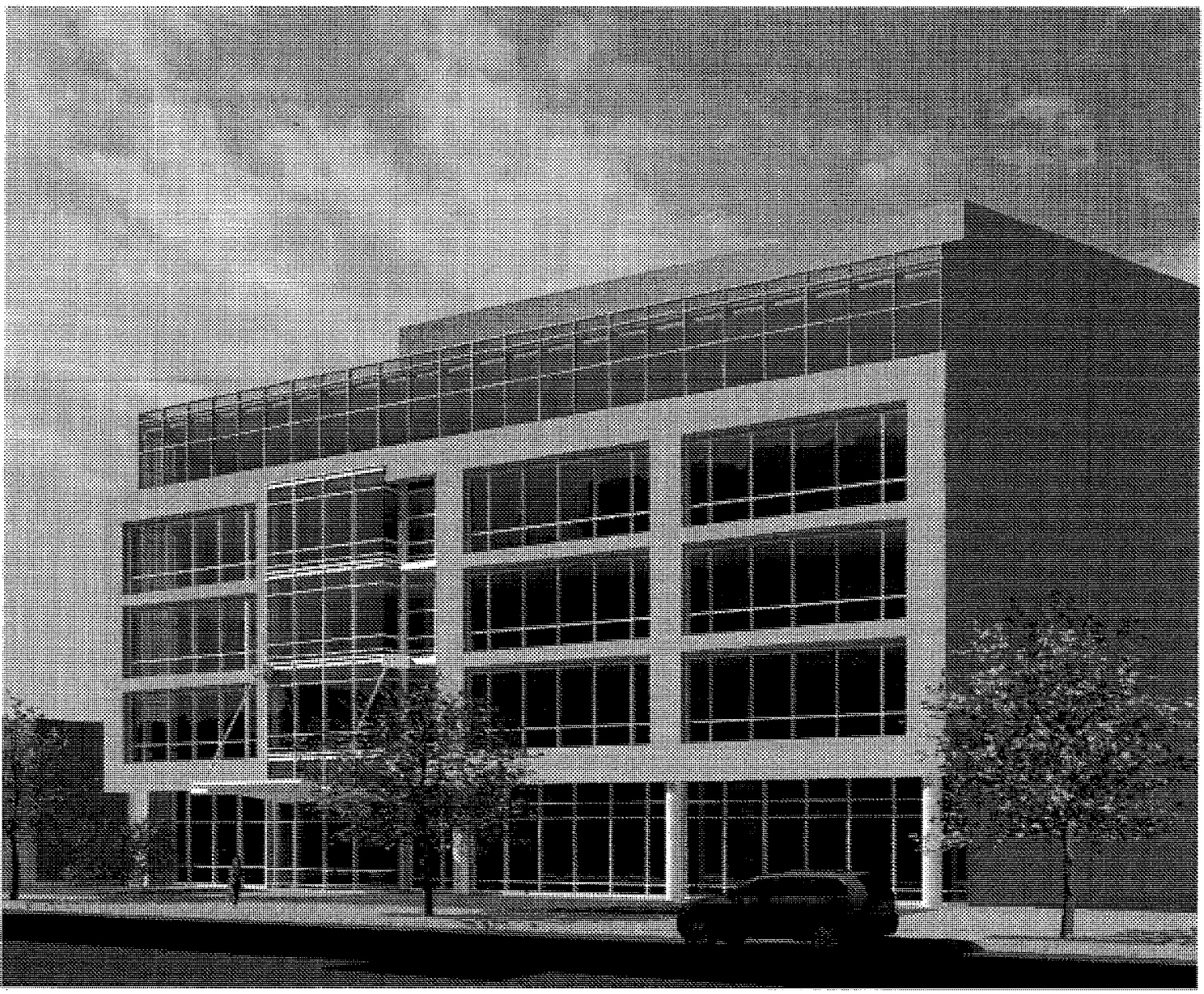
Also, McAllister says that even very strong office deals are not getting construction financing right now. He says the new class A project at corner of CT & K, 75% pre-leased to Arent Fox (biggest private lease of the year, I think) is having trouble getting financing. 20 Half Street (Lerner) is finished and vacant, and hasn't gotten a single lease at $43 full service – and that is a really nice new building across street from Metro and Ballpark.

He thinks we should budget to carry the site for two years, and then market for sale or develop when the land market comes back, or sell to whoever gets Metro lot.

The alternative, in my view, is to look at getting to building permit, so that delivery time is only 12 months from lease, and then market for shorter delivery. I doubt we want to spend that money on spec, especially when Metro status is open, but I will get a quote from DVA on this, since they are so much cheaper than CORE.

LAKRITZ ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

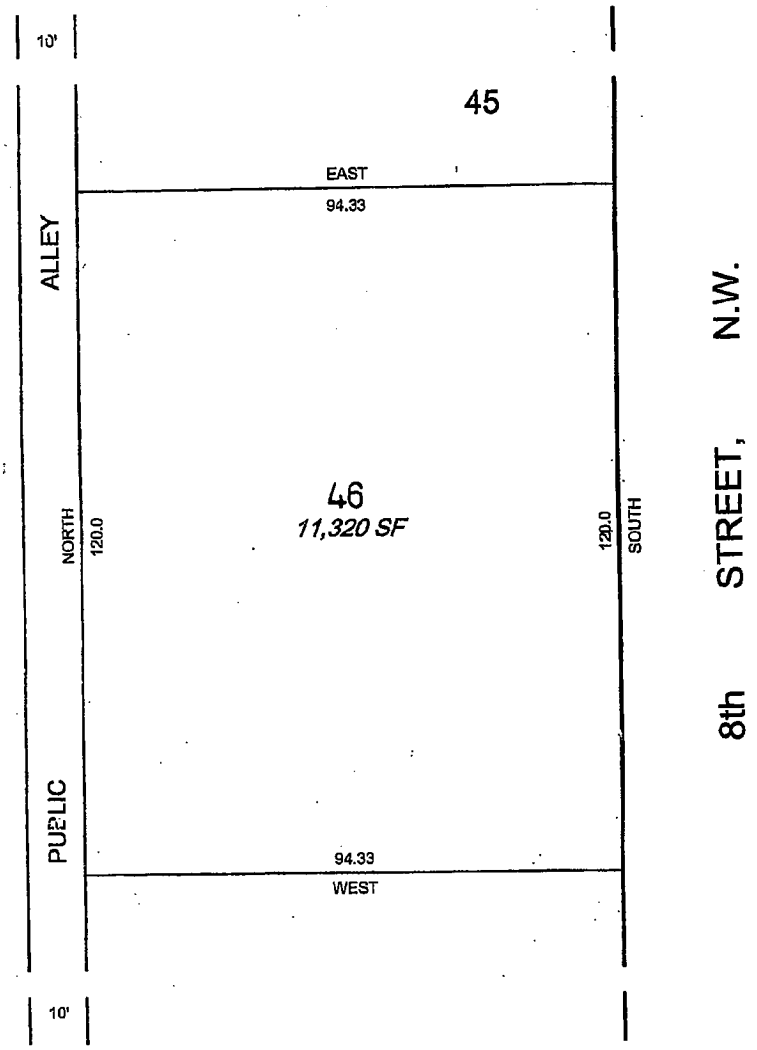
1930 5th St NW, Washington, DC 20001
Metro
Google

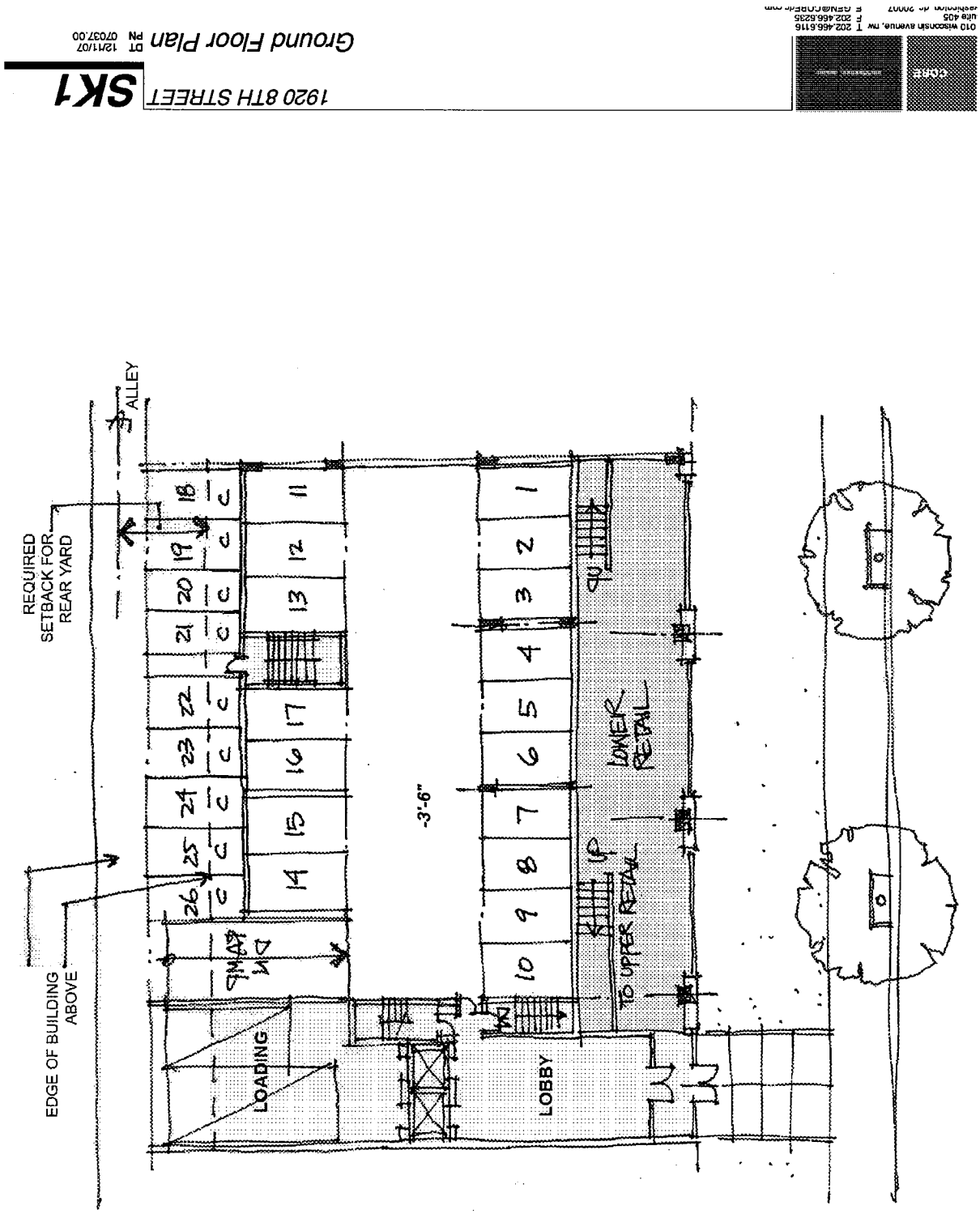


FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 016100

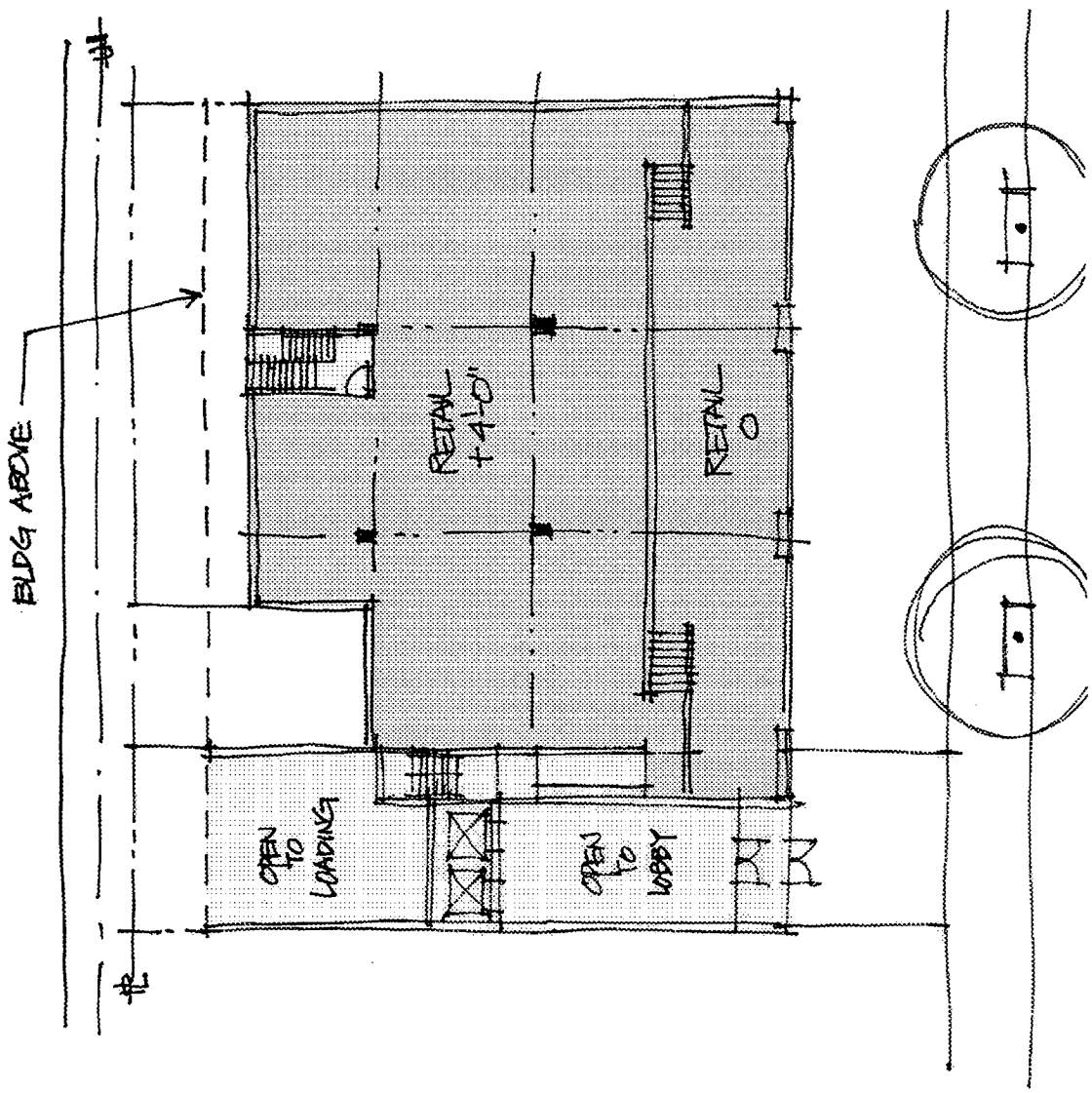
CONFIDENTIAL

SUBDIVISION
SQUARE 393



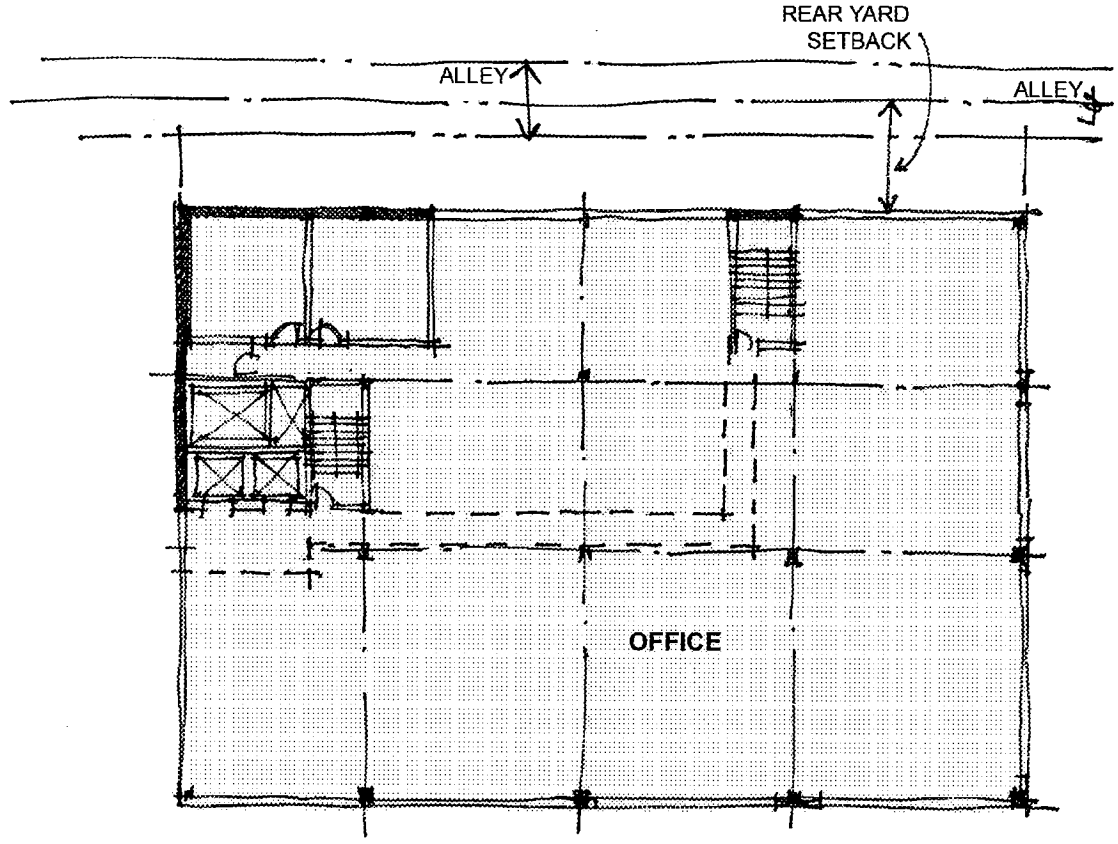

1920 8TH STREET
SK1
Ground Floor Plan
DT 12/11/07
PN 07037.00
010 wisconsin avenue, nw T 202.466.6116
ste 405 F 202.466.6235
washington dc 20007 E GEN@CORE-dc.com
CORE
REQUIRED SETBACK FOR REAR YARD
ALLEY
EDGE OF BUILDING ABOVE
LOADING
LOBBY
-3'-6"
LOWER RETAIL
TO UPPER RETAIL
UP
DN
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

1920 8TH STREET
SK2
Upper Ground Floor Plan
DT 12/11/07
PN 07037.00
010 wisconsin avenue, nw T 202.466.6116
ute 405 F 202.466.6235
ashington dc 20007 E GFN@CORE-dc.com
CORE


BLDG ABOVE
RETAIL +4'-0"
RETAIL 0
OPEN TO LOADING
OPEN TO LOBBY

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL



1920 8TH STREET **SK3**

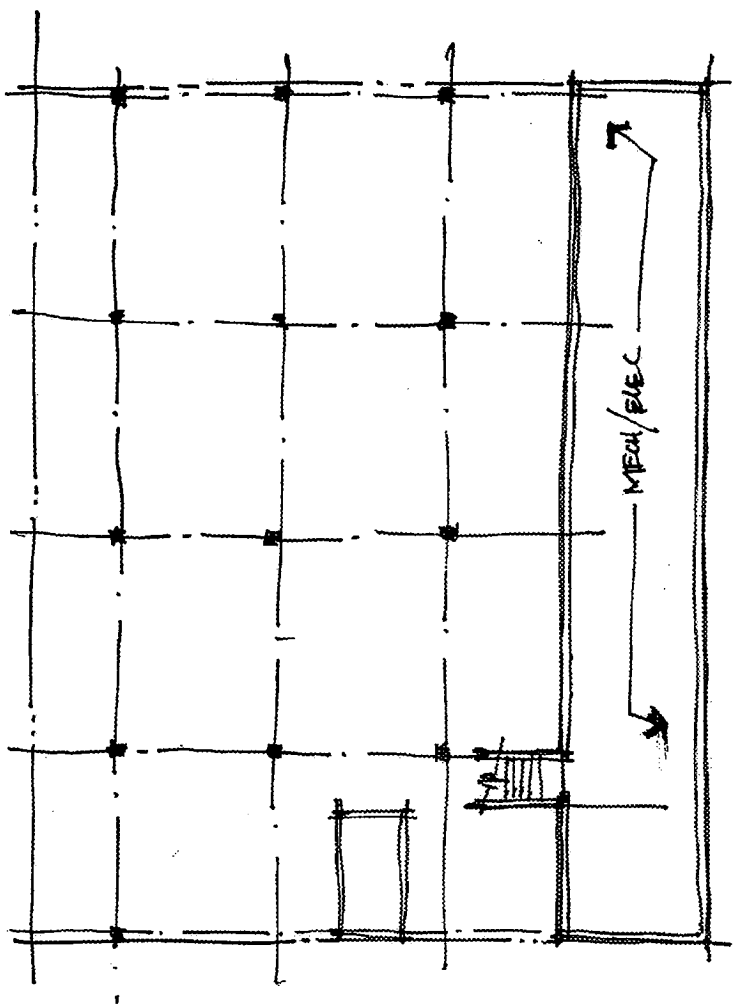
Typical Floor Plan

DT 12/11/07
PN 07037.00

010 wisconsin avenue, nw T 202.466.6115
suite 405 F 202.466.6235
washington, dc 20007 E GEN@CORE-dc.com

LA 360

WMATA-INV 016104


MECH/ELEC

From: Richard Donnally <rick@dva-arch.com>
Sent: Tuesday, June 10, 2008 1:35 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: FW: 1920 Proposal for Lakritz Adler
Attach: Lakritz Adler - 1920 8th St. 060908.pdf

Let me know if this works for you

------ Forwarded Message
From: Cathy Quick <cquick@dva-arch.com>
Organization: DVA Architects
Reply-To: <cquick@dva-arch.com>
Date: Tue, 10 Jun 2008 11:47:19 -0400
To: <rick@dva-arch.com>
Subject: 1920 Proposal for Lakritz Adler

here you go.

Cathy Quick, Office Manager
Donnally Vujcic Associates, L.L.C.
400 Professional Drive Suite 200
Gaithersburg, MD 20879-3437
Ph: (301) 590-8900 x120
Fx: (301) 590-8620
The following section of this message contains a file attachment
prepared for transmission using the Internet MIME message format.
If you are using Pegasus Mail, or any other MIME-compliant system,
you should be able to save it or view it from within your mailer.
If you cannot, please ask your system administrator for assistance.

---- File information ----------
File: Lakritz Adler - 1920 8th St. 060908.pdf
Date: 10 Jun 2008, 11:46
Size: 39826 bytes.
Type: Unknown

------ End of Forwarded Message

DVA
DONNALLY VUJCIC ASSOCIATES, L.L.C.
architecture ▩ planning ▩ interiors
400 Professional Drive, Suite 200
Gaithersburg, MD 20879-3433
301-590-8900
Fax: 301-590-8620

June 9, 2008

Joshua Adler
Lakritz/Adler
4326 8th Street, NW
Washington, DC 20011

Architectural Services Proposal
1920 8th Street, Washington, DC

Donnally Vujcic Associates, L.L.C. is pleased to submit this proposal for Architectural services for 1920 8th Street in Washington, DC. Our understanding is that Lakritz/Adler wishes to develop a 60,000 S.F. ± Four-Story Office/Retail building with one level of parking under and partial retail and basement mechanical. The proposed scope of Basic services includes:

Master Planning Services
Evaluation of existing Civil Engineering base records, generate as-built CAD files, examine current site conditions, review current regulatory & office park requirements. Prepare schematic design alternatives incorporating Client's stated intended use, density, parking, access, phasing, and schedule objectives. Coordinate with local agencies, the Landscape Architect and Civil Engineer as necessary. Generate final rendered Master Plan in electronic and/or printed formats for marketing and presentation. Any work required for historic commission is not included in this proposal, but can be provided for standard hourly rates with a $10,000 limit.

Pre-design
Prepare alternative basic floor layouts and issue yield studies detailing rentable area and other data necessary to assist the Client with programmatic decisions. Create three-dimensional conceptual renderings depicting design alternatives. Building views presented will be "artist's renderings" only and will not be based on through architectural design to be undertaken in subsequent phases.

Schematic Design
Generate preliminary architectural plans and elevations for Client's consideration, including 3-dimensional exterior rendering and marketing floor plans. Create an Outline Specification describing recommendations for basic architectural, structural, mechanical, plumbing and electrical building systems. Coordinate preliminary sanitary, storm sewer, water, gas, telephone and electric service locations with Client's civil engineer to support site plan submissions. Prepare preliminary BOMA standard lease area calculations. Assist client with review of preliminary cost estimates and modify design and scope as required to meet budget.

Design Development
Generate architectural, structural, mechanical, plumbing and electrical plans, sections, elevations and outline specifications adequate for preliminary cost estimating by others. Assist Client with review of preliminary cost estimates based on the initial Design Development drawings and perform modifications to the scope of work as necessary. Coordinate a preliminary review meeting with appropriate local authorities to verify Code compliance. Revise preliminary BOMA standard lease area calculations. Two test fits are included for a typical floor; one for a full floor tenant and a second for a multi-tenant layout. Test fits will indicate walls, doors, and millwork, along with room labels, room sizes, and rudimentary systems furniture for representation.

Construction Documents
Issue 85% complete Construction Documents, including a full set of draft specifications and architectural, structural, mechanical, plumbing and electrical engineering drawings suitable for detailed preliminary cost estimating and permit application. Issue 100% Construction Documents, including full specifications and architectural, structural, mechanical, plumbing and electrical engineering drawings suitable for competitive bidding, construction contracts and construction. Prepare final BOMA standard lease area calculations.

Bidding & Negotiation
Prepare invitations to bid, manage distribution of documents as necessary, conduct a pre-bid conference to fully review the planned scope of work with bidders, and respond to bidder requests of information with written addenda supported by modifications to the Construction Documents. Assist with review of bids and Client's final selection of a contractor.

Construction Administration
Review shop drawings and submittals, respond to contractor requests for information and issue clarifications as necessary, attend regularly scheduled progress meetings at a maximum of once every two weeks for a period of 10 months, issue field reports describing any observed deficiencies in the quality of the work or failures to conform to the design intent, and review all third-party testing and inspection data. Any meeting time beyond two (2) hours will be billed as Additional Services based on hourly rates. Also, review and certify applications for payment and assist the Client in reviewing and supplementing the contractor's closeout punch list of incomplete or unacceptable work.

Design Conferences
Design conferences between the Architect's Design Team including consultants and the Owner or Owners Consultants or Design Builders are based on the allowance listed below. Any conferences beyond this allowance shall be available as additional services for the hourly rates stipulated.

Schematic Design Phase	2 meetings for DVA	1 meeting for consultants
Design Development Phase	3 meetings for DVA	2 meetings for consultants
Construction Document Phase	3 meetings for DVA	2 meetings for consultants
Bidding/Negotiation Phase	1 meeting for DVA	1 meeting for consultants
Construction Administration Phase	As specified above	As specified above

Additional Services

The following items are specifically excluded from the services listed above, but may be provided as an Additional Service or obtained directly by the client:

- LEED Analysis, design, or documentation to U.S.G.B.C.
- Surveying or other site analysis; including boundary, topography, geotechnical, environmental traffic or other quantitative examinations or reports.
- Civil Engineering, including public records searches, preparation of plats, easements, site plans or other document necessary for zoning or construction approvals.
- Landscape architecture
- Geotechnical engineering
- Environmental and hazardous materials identification, analysis or abatement recommendations.
- Code waivers or special exception research, preparation, or application.
- Quantity take-offs, cut-fill calculations, or cost estimating.
- Construction scheduling
- As-built drawings
- Design of typical floor elevator lobbies.
- Acoustical, kitchen, security, communications, elevator, signage, curtain wall, waterproofing, lighting, or other specialized consultants not specifically stated as included.
- Interior design, decorating and/or specification of furnishings beyond finished entry lobby and typical floor core areas.
- Early and/or separate bidding or permit design packages for foundation, steel, curtain wall, precast, etc. components.
- Client requested substantial modifications to project scope during any phase subsequent to Client approval of the previous phase, including "value engineering".
- Generation or review of Client or Contractor request for proposals, change directives or contractor change orders related to substantial modifications to project scope during the construction phase.
- Evaluating Contractor or Owner proposed substitutions and coordination with specifications or construction documents.
- Complex structures, Critical Structures and/or Commercial Inspections services, certifications or coordination.
- Regular construction progress meeting attendance in excess of two business days per month for 10 months or closeout punch list reviews in excess of two business days.
- Preparation of final set of record drawings or as-built conditions drawings.
- Services related to preparation for litigation or arbitration or as witnesses or consultants in connection with any mediated, arbitrated or other legal actions or proceedings.
- Services required due to damage to the project or site as a result of acts of war, terrorism, vandalism or destruction, natural disasters or Acts of God.
- Marketing materials to support leasing activities, including additional exterior or interior renderings, test-fit plans and finish boards for presentations.
- Hardscape design and detailing for pavers, walkways, planters, benches, etc. (To be by landscape architect).
- Interior or exterior signage beyond code required.

Schedule

Our estimate of the time required to provide the proposed services is listed below. Note that the time periods represent DVA's efforts only and do not include periods of time necessary for client review or third-party efforts such as civil engineering, cost estimating, regulatory review, bidding, value engineering and construction.

Master Planning	2 weeks
Pre-Design Services	2 weeks
Schematic Design	4 weeks
Design Development	4 weeks
85% Construction Documents	4 weeks
100% Construction Documents	2 weeks
Bidding & Negotiation	Per Client
Construction Administration	Per Contractor

Compensation

DVA proposes to provide the following services on fixed fee basis:

Master Planning	$ 2,000
Pre-Design Services	$ 5,000

DVA proposes to provide Schematic Design through Construction Administration services, including consulting engineers on a lump sum basis per the following schedule:

Architecture – DVA	60,000SF x $3.25/SF	$ 195,000.00
Structural Eng. - <Engineer>	60,000SF x $0.60/SF	$ 36,000.00
MPE Eng. <Engineer>	60,000SF x $1.25/SF	$ 75,000.00
Subtotal	60,000SF x $5.10/SF	$ 306,000.00

The square footage listed is approximate, fees will only be adjusted on a $/sf basis if the final gross constructed area increases or decreases by more than 5%. Fees and hourly rates are in effect for 12 months from the date of this contract and may be revised if design and construction are not completed within this time frame. Lump sum fees will be billed monthly based on percent of completion of each phase. The distribution of fees per phase will be as follows:

Schematic Design	15%	$ 45,900.00
Design Development	30%	$ 91,800.00
Construction Documents	40%	$ 122,400.00
Construction Administration	15%	$ 45,900.00
Total		$ 306,000.00

Signage consultant services can be added for $10,000.

Retainer
An initial payment of {5 Thousand Dollars ($5,000) shall be made upon authorization to proceed with the Schematic Design phase. This amount will be credited to the Owner's account at the final payment.

Reimbursable Expenses
Reimbursable expenses will include the cost of mileage, deliveries, faxes, long distance calls, cellular calls, postage, CAD plots, preparation of CAD files for third party printing, drawing reproduction, and miscellaneous authorized consultant services. As these costs are incurred, they will be billed separately at a rate of 1.15 times the direct cost incurred. Records of reimbursable expenses, consultant services and services performed on an hourly basis will be kept in accordance with generally accepted accounting principles and will be available for your inspection at mutually convenient times.

Additional Services / Hourly Rates
Hourly rates are subject to revisions as of Jan 1st of each calendar year. Modifications to the scope of services will be result in the generation of Additional Service Authorizations for review and approval prior to beginning work. Additional Service fees are billed hourly, not to exceed the aggregate of authorized amounts and according to the following rate schedule:

Principal	$ 195.00 / Hour
Associate Partner	$ 180.00 / Hour
Vice President	$ 150.00 / Hour
Senior Project Manager	$ 150.00 / Hour
Project Manager	$ 110.00 / Hour
Project Architect	$ 95.00 / Hour
Administrative	$ 85.00 / Hour
Consultants	1.25 x Fee

Contract Terms
This Agreement will include the following terms:

- Renderings, plans, specifications, and information generated by DVA and its engineering consultants are instruments of professional service and are the exclusive property of DVA and its consultants. DVA will retain copies of the files, drawings, and engineering design calculations for the project for the Clients use and reproduction upon request.
- Payment is due 30 days after invoice date. Late payment charges will accrue at a rate of 1.0% compounding monthly on all amounts unpaid more than 60 days past invoice date. Client shall pay all costs, including attorney fees, related to collection of all amounts 90 days past due.
- In the event services rendered by the Architect or its Consultants hereunder fail to meet normal and customary standard of care, the total liability of the Architect or its Consultants shall be to not exceed the limits of available professional liability insurance. Owner agrees to pursue claims for each consultant directly with that consultant or its professional liability insurance carrier. Owner further agrees to not pursue reimbursement for change orders totaling 5% or below of total construction cost.
- DVA and its Consultants maintain a one million dollar Errors and Omissions policy each, any

Client requirement for coverage in excess of this amount will result in an increase in the fees proposed above. In the event of a dispute Client and DVA will agree not to pursue any claims for consequential damages, such as, but not limited to the loss of use, lost profits, lost rents or damages resulting from construction delay's, but not thereby limit the right to recover compensation for actual damages as provided for in the Agreement. No officer, employee, or agent of the architect or its consultants shall have individual or personal liability to the owner as an addition to alternative to or in excess of the Architect's or is consultant's liability under these contract terms or conditions.

- DVA and Client will each be entitled to recover its reasonable counsel fees and related costs arising from enforcement of any rights and remedies pertaining to the Agreement, including costs to defend against claims initiated by the other party that are dropped, dismissed or settled prior to a judgment in court or under arbitration.
- No deduction or withholding of fees shall be made by the owner due to claims made for errors and omissions on the part of Architect or its Consultants. Any such claims shall be paid from available professional liability insurance according to determination by arbitration, mediation, or mutual agreement. Any such deduction or withholding of fees shall result in Architect or its Consultants to withhold services until paid for all outstanding fees.
- The Agreement may be terminated by either party upon seven (7) days written notice in the event of substantial failure by the other party to perform in accordance with the terms of the Agreement through no fault of the terminating party, or if the project is suspended or abandoned.
- In the event DVA does not receive payment when due, DVA may terminate or suspend services without breach of contract upon giving Client seven (7) days written notice. In the event services are terminated or suspended, DVA has no obligation to deliver documents and any consequences (including delay) resulting from such termination or suspension of the Project are the sole responsibility of Client. DVA shall be compensated for all services performed up to the date of termination together with all reimbursable expenses then due. Failure of Client to make payments to DVA in accordance with this Agreement shall be considered substantial nonperformance and sufficient cause for DVA to either suspend or terminate services.
- Any and all claims and/or causes of action between the parties arising out of or relating to this Agreement shall be brought by either party within five (5) years of substantial completion of the Project or termination of this Agreement whichever is sooner.

We look forward to working with your firm. Please telephone 301-590-8900 or send an email to rick@dva-arch.com with any questions or concerns. Acceptance may be indicated by signing and returning one copy of this proposal.

Thank you,
Donnally Vujcic Associates, L.L.C.

ACCEPTANCE

Richard A. Donnally, AIA
Principal

By _____ Date

From: Jarvis, Ernest @ Washington DC <Ernest.Jarvis@cbre.com>
Sent: Wednesday, June 11, 2008 4:09 PM
To: Josh Adler <josh@lakritzadler.com>
Cc: Perkins, Dennis @ Washington <Dennis.Perkins@cbre.com>
Subject: RE: 1920 8th Street NW

Thanks, Josh. Dennis and I will talk about the best way of positioning the building in the marketplace and circle back to you with a strategy, and a draft engagement agreement. Ernie

New contact information effective December 17, 2007
Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, June 10, 2008 5:53 PM
To: Jarvis, Ernest @ Washington DC
Subject: 1920 8th Street NW

Ernie,

Here is some information about 1920 8th St NW, (aka, 1916-1930 8th St NW). The floorplans attached yield about a 47,600 SF, five-story commercial building with about 22-24 parking spaces at grade at back of first floor. Total FAR is about 51,000 SF (4.5 FAR x 11,320 SF lot area, 65' height limit.) Zoning is C2B/Arts overlay. Any type of commercial or residential use is allowed.

I should note that the renderings have not been vetted with HPRB or pre-construction consultant, so we do not know if this design is economically or historically feasible, and so is subject to change. I'm not worried about the zoning or massing an height, however, since we have been advised by HPRB (and zoning counsel) that these are fine.

Let me know if I can provide more information – I can get you more detail on the ground lease structure when needed.

Thanks,

Josh Adler
202-882-0808
202-368-9669

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, June 12, 2008 5:00 PM
To: 'Anne Corbett' <Anne@culturaldc.org>
Subject: CLD Contract!
Attach: LA - Uptown Arts CLD Purchase Agreement 6-12-08.DOC

Hi Anne,

Finally, the CLD contract is here! Hopefully, there is time for your legal review prior to CDC board meeting next week.

Please let me know any comments or mark-ups your lawyer may have. It is adapted directly from the final LOI, so changes, if any, should be minimal.

Thanks, and sorry for the delays,

Josh Adler

LAKRITZ|ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

AGREEMENT OF PURCHASE AND SALE
OF COMBINED LOT DEVELOPMENT RIGHTS

THIS AGREEMENT OF PURCHASE AND SALE OF COMBINED LOT DEVELOPMENT RIGHTS (the "Agreement") is made and entered into this ___ day of June, 2008 (the "Effective Date") by and between THE CULTURAL DEVELOPMENT CORPORATION OF THE DISTRICT OF COLUMBIA, a _____ corporation, its successors, affiliates and assigns ("Seller"), and 1920 8TH STREET LLC, a Delaware limited liability company, its successors, affiliates and assigns ("Purchaser").

RECITALS

A. Seller owns fee simple absolute title to Lots 33 and 34 in Square 238 in the District of Columbia, with premises address of 1835 14th Street, NW, and more fully described on the attached Exhibit A (the "Seller Property").

B. The District of Columbia Zoning Commission (the "Zoning Commission") has adopted certain combined lot development rules and regulations which permit the allocation of non-residential and residential gross floor area rights between properties. These rules and regulations include, without limitation, that portion of the District of Columbia Zoning Regulations (11 DCMR, Section 100 et seq., as amended) known as the Uptown Arts-Mixed Use (ARTS) Overlay District Regulations, 11 DCMR, Chapter 19, Section 1900 et seq., as amended (hereinafter referred to as the "ARTS Regulations").

C. Pursuant to Section 1905 of the ARTS Regulations, the Seller Property is entitled to allocate and transfer gross floor area as Combined Lot Development ("CLD") rights for the purpose of transferring bonus density to qualified properties within the ARTS Overlay District.

D. In accordance with the terms, conditions, and covenants set forth herein, Purchaser desires to acquire from Seller the entire amount of CLD rights generated by the Seller Property in order to increase the permitted density of development on property currently known as Lot 46 in Square 393 in the District of Columbia, with premises address of 1916-1930 8th Street, NW, and more fully described on the attached Exhibit B, or any successor record or tax lot, or such other lot or lots within the ARTS Overlay District designated by Purchaser in its sole discretion (the "Purchaser Property").

E. Purchaser and Seller desire to enter into a Combined Lot Development Covenant ("CLD Covenant") with the District of Columbia which CLD Covenant will enable Purchaser to use the CLD rights generated by the Seller Property on the Purchaser Property, which CLD Covenant shall be recorded in the land records of the District of Columbia in accordance with the terms and conditions set forth herein, in conjunction with the disbursement of the Purchase Consideration, as defined herein.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are a material part of this Agreement and not mere precatory language, mutual terms, conditions and covenants set forth in this Agreement, and other good and valuable

CONFIDENTIAL LA 372

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016121

consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Purchase and Sale of CLDs.

1.01. Commitment to Sell. Upon the terms and subject to the conditions set forth in this Agreement, Seller shall sell, convey, allocate, transfer, assign and deliver to Purchaser the entire amount of CLD rights generated by the theater use of the Seller Property (estimated at approximately 33,800 square feet of gross floor area)(hereinafter the "ARTS Overlay CLDs"), in accordance with all applicable governmental laws, rules, and regulations, and free and clear of all liens, claims, mortgages or encumbrances.

1.02. Commitment to Purchase. Upon the terms and subject to the conditions set forth in this Agreement, Purchaser shall purchase the ARTS Overlay CLDs from the Seller and shall pay or deliver to Seller the Purchase Consideration (as set forth below).

1.03. Purchase Consideration. In consideration of the sale to Purchaser of the CLDs, Purchaser shall pay or deliver to Seller a sum in the amount of Seven Dollars Fifty Cents ($7.50) per square foot of CLDs transferred to the Purchaser Property (the "Purchase Consideration"). By way of example only, if the ARTS Overlay CLDs total 33,800 square feet, the Purchase Consideration will total $253,500.00. The Purchase Consideration shall be payable as follows:

(A) Five Thousand and No/100 Dollars ($5,000.00) delivered by Purchaser upon full execution of the letter agreement executed by Seller and Purchaser on April 1, 2008 to the Escrow Agent (as defined below) as the deposit (the "Deposit"), which Deposit shall be held by Escrow Agent pursuant to the terms of Section 1.04 below.

(B) The remainder of the Purchase Consideration, together with the Deposit, will be paid to Seller in cash, by certified cashier's check, or by wire transfer at Closing (as defined below) subject to the default provisions set forth herein.

(C) Purchaser shall have one hundred eighty (180) days from the later of: (i) the date of full execution of this Agreement; or (ii) Seller's delivery to Purchaser of the Due Diligence Materials (collectively, all surveys, architectural and construction plans, property records and/or any other documents and materials sufficient to allow Purchaser to confirm the existence or future creation and amount of ARTS Overlay CLDs generated by the theater use of the Seller Property) (the "Feasibility Period") to study any issues whatsoever regarding this transaction including any issues related to the Seller Property; provided, however, that Purchaser shall have no right whatsoever to enter onto the Seller Property without the prior consent of Seller. If Purchaser, in its sole discretion and for any reason whatsoever, terminates the Agreement at the end of the Feasibility Period by notice in writing or email to Seller and Escrow Agent delivered no later than 5:00 P.M. on the date of expiration of the Feasibility Period, Escrow Agent will promptly refund the Deposit to Purchaser, this Agreement will be terminated and neither party will have any further obligation to each other.

CONFIDENTIAL LA 373

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016122

(D) If the Closing has not occurred within eighteen (18) months of the Effective Date, and no Event of Default pursuant to Section 5.01(B) below has occurred, the Escrow Agent shall release the Deposit to Seller, and Purchaser shall pay to Seller an additional Twenty Thousand and No/100 Dollars ($20,000.00) as an extension payment (the "Extension Payment"). The Extension Payment shall be non-refundable and shall be credited in full at the Closing as a portion of the Purchase Consideration. On each anniversary of the Extension Payment, if any, Purchaser shall pay to Seller an additional Twenty Thousand and No/100 Dollars ($20,000.00) as a further extension payment (each such payment hereinafter the "Additional Extension Payment"). Each such Additional Extension Payment shall be non-refundable and shall be credited in full at the Closing as a portion of the Purchase Consideration.

(E) If the Closing has not occurred within eighteen (18) months of the Effective Date, and no Event of Default pursuant to Section 5.01(B) below has occurred, the Purchase Consideration shall increase by One-Half of One Percent (0.5 %) of the base Purchase Consideration on the first day of each month beginning with the nineteenth (19th) month following the Effective Date, and continuing until the Closing.

1.04. Deposit and Escrow.

(A) The Escrow. Upon execution of this Agreement, Purchaser shall deliver the Deposit to Regional Title Corp. (the "Escrow Agent") at its offices located at 1620 L Street, NW, Suite 1200, Washington, DC 20036. Escrow Agent shall hold the Deposit in accordance with this Agreement (the "Escrow"). Additionally, the Escrow Agent shall receive, endorse, and deposit any and all instruments and funds payable to the order of the Escrow Agent. The Escrow Agent shall act, with respect to payments, as a stakeholder only and shall not be liable for the payment of any interest or court costs in any action that may be brought to recover the monies held in escrow, or any part thereof, unless the Escrow Agent shall fail or refuse to pay over any such monies pursuant to a judgment order or decree that shall be final beyond possibility of appeal.

(B) Investment of the Deposit. The Escrow Agent shall invest the Deposit in a federally-insured, interest bearing account, or such other investments as Seller and Purchaser shall from time to time jointly approve or jointly direct in writing. Upon any such investment or reinvestment, such securities and all interest accruing thereon shall be included as part of the Deposit for all purposes of this Agreement and shall be credited against the Purchase Consideration payable at Closing.

(C) Disbursement.

(i) Joint Written Direction Order of Court. Notwithstanding other provisions of this Agreement to the contrary, upon receipt by the Escrow Agent of the joint written direction of Purchaser and Seller, or a certified copy of the final order, decree, or process of any court of competent jurisdiction final beyond appeal, the Escrow Agent shall disburse the Deposit in accordance with such direction or such final order. If the Escrow Agent is in doubt as to whether the time for appeal of any

CONFIDENTIAL LA 374

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016123

final order, decree, or process of any court has lapsed, the Escrow Agent may request and may rely upon a written opinion of counsel acceptable to the Escrow Agent.

(ii) Sworn Statements. The Escrow Agent shall make disbursements from the Deposit to or for the account of Seller or Purchaser, upon demand by the requesting party, following written notice (given in accordance with the provisions of this Agreement) of such requested disbursement to the non-requesting party and the passage of five (5) business days without the Escrow Agent's receipt of any written objection from the non-requesting party, on the following terms and conditions:

(a) Upon receipt by the Escrow Agent of a sworn statement signed by an authorized representative of Purchaser, stating that a specific condition (which condition shall be identified and particularly described) set forth in this Agreement has occurred or failed to occur, or that a default by Seller has occurred beyond any applicable cure periods, and that Purchaser is entitled to the entire proceeds of the Deposit in accordance with the terms and conditions of this Agreement;

(b) Upon receipt by the Escrow Agent of a sworn statement signed by Seller, or its authorized representatives, stating that a default has occurred by Purchaser failing to close under this Agreement and the lapse of any applicable cure period, thus entitling Seller to the entire proceeds of the Deposit;

(c) Upon receipt by the Escrow Agent of a letter signed by authorized representatives of the Purchaser and the Seller certifying that (i) all conditions precedent to the Closing are satisfied and (ii) Seller is entitled to receive the Deposit as a credit against the Purchase Consideration.

(D) General Rights and Responsibilities of the Escrow Agent.

(i) Compensation. The customary and reasonable fees and expenses, if any actually incurred by the Escrow Agent for its services in such capacity hereunder, shall be borne equally by the Seller and Purchaser.

(ii) Duty of Care. The Escrow Agent shall not be obligated to inquire as to the manner of execution or validity of any document or instrument deposited pursuant to the provisions hereof, nor shall the Escrow Agent be obligated to inquire as to the identity, authority, or rights of the persons executing the same. The Escrow Agent shall be liable under this Agreement only for its failure to exercise due care in the performance of its duties expressly set forth in this Agreement. In case of conflicting demands upon it, the Escrow Agent may withhold performance hereunder until such time as those conflicting demands shall have been withdrawn or the rights of the respective parties shall have been settled by court adjudication, arbitration, consent order, or otherwise.

(iii) Indemnification. Purchaser and Seller shall indemnify the Escrow Agent and hold it harmless from and against all loss, damage, and expense the Escrow Agent may incur by reason of this Agreement, unless such loss, damage, or

CONFIDENTIAL LA 375

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016124

expense is attributable to the failure by the Escrow Agent to exercise due care in the performance of its obligations hereunder.

(iv) Resignation. The Escrow Agent may resign by giving at least thirty (30) days prior written notice to Purchaser and Seller at their respective addresses set forth herein. Within thirty (30) days after receiving such notice, Seller and Purchaser agree to appoint a successor escrow agent to which the Escrow Agent may distribute the property then held hereunder. If a successor escrow agent has not been appointed and has not accepted such appointment by the end of such thirty (30) day period, the Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor to act as Escrow Agent, and the costs, expenses, and reasonable attorneys' fees incurred by the Escrow Agent in connection with such proceeding shall be paid in equal shares by the Purchaser and the Seller. Purchaser and Seller may replace Escrow Agent at any time by joint written notice, whereupon Escrow Agent shall deliver the Deposit as instructed in such notice.

(E) Simultaneous Notices. Any notice or other document sent to the Escrow Agent by the Purchaser or Seller shall simultaneously be sent to the other party and no notice to the Escrow Agent shall be effective unless such duplicate copy is sent.

2. Closing.

2.01. Time and Place. The transactions contemplated herein shall be consummated at the closing (the "Closing") which shall take place at the offices of either Holland & Knight LLP, 2099 Pennsylvania Avenue, NW, Suite 100, Washington, DC 20006, or Escrow Agent (as may be designated by Purchaser) not later than the later of: (i) sixty (60) days after Purchaser has been issued final building permits from the District of Columbia Department of Consumer and Regulatory Affairs for its development project on the Purchaser Property; or (ii) receipt of the fully approved and executed CLD Covenant from the District of Columbia or at such earlier date and time as Purchaser may designate in its sole discretion.

2.02. Closing Costs. Purchaser shall pay for the costs of title examination ordered by Purchaser, customary title company closing charges and notary fees. All other District of Columbia and local recordation and transfer taxes, if any, shall be paid one-half by Seller and one-half by Purchaser. All other costs, including but not limited to attorney, architect, or other professional fees and costs, shall be borne by the respective party who engaged such professional.

2.03. Execution of CLD Covenant and CLD Certificate. At such time as Purchaser directs, Purchaser and Seller shall submit the CLD Covenant, substantially in the form attached hereto as Exhibit C, to the District of Columbia Office of Attorney General for determination of legal sufficiency. Upon receipt, approval and incorporation into the CLD Covenant of any comments received from the Office of Attorney General, Seller and Purchaser shall promptly execute the CLD Covenant and file such covenant for approval and execution by the District of Columbia Office of Planning, the District of

CONFIDENTIAL LA 376

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016125

Columbia Zoning Administrator, the District of Columbia Office of Attorney General and the Office of the Mayor of the District of Columbia.

2.04. Covenants and Conditions to Closing. The obligations of the parties hereto shall be subject to the satisfaction of the following conditions precedent to Closing:

(A) At Closing, Seller shall deliver to Escrow Agent the CLD Covenant fully executed by Seller, Purchaser and the District of Columbia, and Purchaser shall deliver the Purchase Consideration by cashier's check or wire transfer of available federal funds. Seller and Purchaser shall each execute and deliver to Escrow Agent such additional documents and instruments as may be reasonably necessary or customary to consummate the transaction described in this Agreement, including without limitation a standard form of owner's affidavit executed by Seller and a settlement statement prepared by Escrow Agent and approved by both Purchaser and Seller.

2.05. The obligation of Purchaser to proceed to the Closing shall be conditioned on title to the ARTS Overlay CLDs being insurable as such by Escrow Agent as a development right running with the title of the Purchaser Property, and not subject to any lien, claim, mortgage or other encumbrance; and upon recordation of the CLD Covenant, the ARTS Overlay CLDs shall irrevocably and unconditionally vest in the Purchaser Property, and shall not be subject to divestment, restriction, or impairment on account of any circumstance or condition affecting Seller's Property. The obligation of Purchaser to proceed to the Closing shall be conditioned further upon Purchaser's confirmation, in a form acceptable to Purchaser in its sole discretion, that as of the Closing, the ARTS Overlay CLDs to be transferred to the Purchaser Property total at least 30,936 square feet.

2.06. Closing Procedures. Upon Escrow Agent's receipt of the Purchase Consideration in the amount shown on the settlement statement, Escrow Agent shall proceed to record the fully executed CLD Covenant in the Office of the Recorder of Deeds for the District of Columbia and shall disburse the Purchase Consideration to Seller.

3. Representations and Warranties.

3.01. Purchaser's Representations and Warranties. Purchaser represents and warrants that the following are true and correct as of the date first written above, and will continue to be true and correct as of the Closing Date:

(A) Purchaser has the legal right and capacity to execute this Agreement and to perform in accordance with each of the terms, conditions and covenants set forth herein. This Agreement is a valid and binding obligation of Purchaser which is enforceable in accordance with its terms.

(B) The person(s) executing this Agreement on behalf of Purchaser has/have the authority to bind Purchaser to each of the terms, conditions and covenants set forth in this Agreement.

CONFIDENTIAL LA 377

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016126

(C) There are no actions or proceedings pending, or to the best knowledge of Purchaser, threatened, which affect Purchaser's ability to perform each of the terms, conditions and covenants set forth in this Agreement. To the best of Purchaser's knowledge, Purchaser is not in default with respect to any order, injunction, decree or demand of any court or any governmental authority which relates to the Purchaser's ability to perform pursuant hereto.

3.02. Seller's Representations and Warranties. Seller represents and warrants that the following are true and correct as of the date first written above, and will continue to be true and correct as of the Closing Date:

(A) Seller has the legal right and capacity to execute this Agreement and to perform in accordance with each of the terms, conditions and covenants set forth herein. This Agreement is a valid and binding obligation of Seller which is enforceable in accordance with its terms.

(B) The person(s) executing this Agreement on behalf of Seller has/have the authority to bind the Seller to each of the terms, conditions and covenants set forth in this Agreement.

(C) There are no actions or proceedings pending, or to the best knowledge of Seller, threatened, which affect Seller, the Seller Property or Seller's ability to perform each of the terms, conditions and covenants set forth in this, Agreement. To the best of Seller's knowledge, Seller is not in default with respect to any order, injunction, decree or demand of any court or any governmental authority which affects the Seller's ability to perform pursuant hereto.

(D) The transactions contemplated by this Agreement will not result in any breach of, or constitute a default under, any instrument, contract or agreement to which Seller is a party or by which Seller may be bound or affected.

(E) Seller has good and marketable fee simple absolute title to the Seller Property free and clear of restrictions or encumbrances which could adversely affect any transaction contemplated by this Agreement.

(F) Seller has not previously transferred, assigned or otherwise encumbered any gross floor area that relates to the Seller Property which transfer or assignment would adversely affect Seller's ability to transfer the ARTS Overlay CLDs.

(G) Seller is not a party to any other agreement, of any kind or nature, which might affect the ARTS Overlay CLDs or the Seller's ability to transfer the ARTS Overlay CLDs to Purchaser..

(H) To the best of Seller's knowledge and belief, the Seller Property is not in violation of any law, rule or regulation, including but not limited to laws, rules and regulations relating to construction, fire prevention, taxes and zoning which would impair the ability of Seller to transfer the ARTS Overlay CLDs.

CONFIDENTIAL LA 378

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016127

(I) There is no bankruptcy, insolvency, rearrangement, or similar action or proceeding, whether voluntary or involuntary, pending or to the best of Seller's knowledge, threatened, which could affect the Seller's ability to perform any of its obligations hereunder in any material respect. Except as set forth in this Section 3.02, Seller has made no other representations and warranties.

(J) The Gross Floor Area (as that term is defined in the Zoning Regulations) of the finished improvements on the Seller Property is, or will be as of the Closing, not less than 7,734 square feet, all of which area is improved, occupied and maintained, or will be as of the Closing, as Legitimate Theater (as that term is defined in the Zoning Regulations) and that the improvements on the Seller Property were originally constructed prior to 1958.

4. Seller's Continuing Covenants.

4.01. Material Changes. Seller covenants that it will not take any action affecting the Seller Property which could adversely affect the ARTS Overlay CLDs allocated and transferred pursuant to the terms set forth herein. Seller will immediately notify Purchaser, in writing, of each and every material change in fact, circumstance or condition of which it has knowledge which adversely affects any of the representations and warranties set forth herein.

5. Events of Default and Remedies.

5.01. Events of Default.

(A) By Purchaser. Each of the following shall constitute an event of default ("Event of Default") by Purchaser hereunder:

(i) if the Purchaser fails to post the Deposit as required herein pursuant to Section 1.04(A);

(ii) if the Purchaser fails to pay the Purchase Consideration at Closing upon the Seller's satisfaction of each material term, condition, covenant, representation and warranty set forth herein which Seller is required to satisfy;

(iii) if the Purchaser becomes insolvent, fails to pay its debts as they become due, files a petition for relief, or for any composition, rearrangement, extension, reorganization or other relief under any bankruptcy law or under any other law for the relief of debtors now or hereafter existing, shall make a settlement with or general arrangement or assignment for the benefit of creditors, or if an order for relief pursuant to any federal or state bankruptcy or insolvency law shall be granted with respect to Purchaser.

(iv) if a representation or warranty of Purchaser under this Agreement is not correct in any material respect.

CONFIDENTIAL LA 379

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016128

(B) By Seller. Each of the following shall constitute an Event of Default by Seller hereunder

(i) if the Seller fails to comply with any of the material terms, conditions, or covenants applicable to Seller set forth in this Agreement which materially affects Seller's ability to allocate and transfer the ARTS Overlay CLDs to Purchaser;

(ii) if each of the conditions to the Closing set forth herein in Sections 2.04(A) and 2.05 is not fully satisfied, or waived in writing by Purchaser, prior to the Closing;

(iii) if Seller becomes insolvent, fails to pay its debts as they become due, files a petition for relief, or for any composition, rearrangement, extension, reorganization or other relief under any bankruptcy law or under any other law for the relief of debtors now or hereafter existing, shall make a settlement with or general arrangement or assignment for the benefit of creditors, or if an order for relief pursuant to any federal or state bankruptcy or insolvency law shall be granted with respect to Seller;

(iv) if any representation or warranty of Seller under this Agreement is not correct in any material respect.

(C) Remedies Upon an Event of Default.

(i) Seller's Remedies. Upon the happening of any Event of Default by Purchaser, Seller shall have the right to terminate this Agreement and to receive the Deposit and any interest thereon as liquidated damages as its sole and exclusive remedy.

(ii) Purchaser's Remedies. Upon the happening of an Event of Default by Seller, Purchaser shall have the absolute right, at its option and election, to elect one of the following, as its sole remedy in lieu of any other remedy

(a) cancel this Agreement immediately by written notice to Seller, whereupon this Agreement shall be deemed to be terminated and Purchaser shall have no further liability to Seller, and if the Deposit has been delivered as provided for herein, the Deposit with all interest thereon shall be promptly returned to Purchaser; or

(b) institute appropriate proceedings to specifically enforce Seller's obligation to allocate and transfer the ARTS Overlay CLDs to Purchaser in accordance with the terms set forth herein.

The above remedies and rights of Purchaser and Seller shall be exclusive and not cumulative. Purchaser shall have the absolute right to resort to any one of said remedies, to the exclusion of the others, in the event of any such Event of Default by Seller. Prior to declaring an Event of Default, Purchaser and Seller shall each provide

CONFIDENTIAL LA 380

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016129

written notice thereof to the other and shall provide the other with ten (10) business days to cure any such default.

6. General Provisions.

6.01. Notices. All notices, payments and other required communications ("Notices") to the parties shall be in writing, and shall be addressed respectively as follows

If to Seller: The Cultural Development Corporation of
the District of Columbia
916 G Street, NW
Washington, DC 20001
Attention: Anne Corbett

With copy to:

If to Purchaser: 1920 8th Street LLC
4326 8th Street, NW
Washington, DC 20011
Attention: Robb LaKritz

With a copy to: Holland & Knight LLP
2099 Pennsylvania Avenue, N.W.
Suite 100
Washington, DC 20006
Attention: Christopher H. Collins

All Notices shall be given (i) by personal delivery to the applicable party; or (ii) by registered or certified mail, return receipt requested; or (iii) by recognized national or regional overnight delivery service. All Notices shall be effective and shall be deemed delivered and received: (i) if by personal delivery or facsimile, on the date of delivery, if delivered during normal business hours; and, if not delivered during normal business hours, on the next business day following delivery; (ii) if solely by mail three business days after the date deposited into the U.S. Mail, registered or certified mail, return receipt requested, properly addressed and postage prepaid; and (iii) if by overnight delivery, on the day following delivery to such overnight courier. A party hereto may change its address by written notice to the other party.

6.02. Waiver. The failure of Seller or Purchaser to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a wavier of any provision of this Agreement or limit Seller's or Purchaser's right thereafter to enforce any provision or exercise any right.

CONFIDENTIAL LA 381

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016130

6.03. Modification. No modification of this Agreement shall be valid unless made in writing and duly executed by authorized representatives of Purchaser and Seller.

6.04. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the District of Columbia.

6.05. Further Assurances. Each of the parties hereto agrees to take such actions and execute such additional instruments from time to time as may be reasonably necessary or convenient to implement and carry out the intent and purpose of this Agreement.

6.06. Entire Agreement; Successors and Assigns. This Agreement contains the entire understanding of the parties which supersedes all prior agreements and understandings between the parties relating to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the respective successors, affiliates and assigns of Seller and Purchaser. Neither this Agreement, nor the performance of any of the provisions contained herein, shall be assigned, subcontracted or delegated by Seller without the express prior written consent of Purchaser, which may not be unreasonably withheld, conditioned or delayed. Purchaser may assign its rights and delegate its obligations under this Agreement in its sole and absolute discretion, including but not limited to designation of the property(ies) comprising the Purchaser Property.

6.07. Disputes. If any dispute arises under, or relates to, this Agreement, the losing party hereby agrees to promptly reimburse the prevailing party for all fees, costs and expenses incurred by the prevailing party, including without limitation reasonable attorneys' fees, expert fees and collection costs, whether or not formal proceedings are instituted.

6.08. Exhibits. The following exhibits are attached hereto and made a part of this Agreement:

Exhibit A: Seller Property
Exhibit B: Purchaser Property
Exhibit C: Form of Combined Lot Development Covenant

6.09. Order of Priority. In the event of any conflict between this Agreement and any exhibit attached hereto, the terms of this Agreement shall be controlling.

6.10. Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

CONFIDENTIAL LA 382

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016131

6.11. Counterparts. This Agreement may be executed in any number of counterparts all of which taken together shall constitute one and the same instrument and any of the parties or signatories hereto may execute this Agreement by signing any such counterpart.

6.12. Interpretation. Wherever the singular number is used herein, the same shall include the plural; the use of any gender shall include all genders. The headings set forth herein are provided solely for convenience and shall not be considered when interpreting the intention of the parties hereto.

6.13. Brokers. Seller warrants to Purchaser that it has not dealt with any real estate broker, agent, or finder in connection with this transaction. Purchaser warrants to Seller that it has not dealt with any real estate broker, agent or finder in connection with this transaction, and that no right or claim for brokerage commissions or other compensation has been created by its actions in connection herewith. Seller and Purchaser shall indemnify and hold each other harmless against all loss, liability or expense, including reasonable attorneys' fees and litigation costs, incurred by the other to the extent that one or the other is shown to be in breach of the foregoing warranties.

6.14. Savings Clause. Notwithstanding anything to the contrary contained in this Agreement, if the Closing has not occurred as of the day before the date that is twenty-one (21) years after the death of the last living lineal descendant of George H.W. Bush who was alive or in being on the Effective Date, then this Agreement shall terminate, the Deposit shall be returned to Purchaser and (unless either party was in default under this Agreement, in which event the non-defaulting party shall have the rights and remedies set forth in Section 5) neither party shall have any further rights or obligations hereunder.

{signatures on following page}

CONFIDENTIAL LA 383

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016132

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal as of the date first above written.

SELLER:

THE CULTURAL DEVELOPMENT CORPORATION
OF THE DISTRICT OF COLUMBIA,
a _____ corporation

By: _____
Name:
Title:

PURCHASER:

1920 8TH STREET, LLC,
a Delaware limited liability company

By: 1920 8TH STREET VENTURE, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

CONFIDENTIAL LA 384

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016133

CONSENT

The undersigned Escrow Agent has reviewed this Agreement and consents to the performance of each term and condition applicable to the Escrow Agent in accordance with the provisions set forth herein.

_____

By: _____
Name:
Title:

CONFIDENTIAL LA 385

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016134

EXHIBIT A

LEGAL DESCRIPTION OF SELLER PROPERTY

All that certain lot or parcel of land together with all improvements thereon located and being in the City of Washington in the District of Columbia, more particularly described as follows:

Lots numbered Thirty-Three (33) and Thirty-Four (34) in Square numbered Two Hundred Thirty-Eight (238).

EXHIBIT B

LEGAL DESCRIPTION OF PURCHASER PROPERTY

All that certain lot or parcel of land together with all improvements thereon located and being in the City of Washington in the District of Columbia, more particularly described as follows:

Lot numbered Forty-Six (46) in Square numbered Three Hundred Ninety-Three (393).

EXHIBIT C

FORM OF COMBINED LOT DEVELOPMENT COVENANT

[insert]

5328174_v2

From: Josh Adler <josh@lakritzadler.com>
Sent: Monday, June 16, 2008 12:56 PM
To: 'Richard Donnally' <rick@dva-arch.com>
Subject: 1920 8th

Hi Rick,

Sorry for the delay in getting back to you. The 1920 8th proposal looks good, but I do not think we are prepared to pull the trigger on it yet, until we make some progress in marketing the site as a build-to-suit.

We're going to list with CBRE (and use the Core renderings in the brochure), and if we get some bites we can move forward on the design process.

Thanks,

Josh

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Richard Donnally <rick@dva-arch.com>
Sent: Monday, June 16, 2008 2:00 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: Re: 1920 8th

Not a problem. If you want us to tweak the rendering, let us know

On 6/16/08 12:56 PM, "Josh Adler" <josh@lakritzadler.com> wrote:

Hi Rick,

Sorry for the delay in getting back to you. The 1920 8th proposal looks good, but I do not think we are prepared to pull the trigger on it yet, until we make some progress in marketing the site as a build-to-suit.

We're going to list with CBRE (and use the Core renderings in the brochure), and if we get some bites we can move forward on the design process.

Thanks,

Josh

LAKRITZ|ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Omar A. Karim <okarim@bannekerventures.com>
Sent: Tuesday, June 17, 2008 3:44 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: Delivered: CONFIDENTIAL: 1920 8th Street Ground Lease
Attach: details.txt

Your message was delivered to the recipient.
Omar A. Karim
Banneker Ventures, LLC
700 12th Street, NW, Suite 700
Washington, DC 20005
(202) 667-4110 office
(301) 523-1810 cell

Original-Message-ID:19389
Final-Recipient:okarim@bannekerventures.com
Action:Delivered

From: Omar A. Karim [okarim@bannekerventures.com]
Sent: Tuesday, June 17, 2008 3:48:03 PM
To: Josh Adler
Subject: Read: CONFIDENTIAL: 1920 8th Street Ground Lease

Your message

To: okarim@bannekerventures.com
Subject: CONFIDENTIAL: 1920 8th Street Ground Lease
Sent: 6/17/2008 3:41 PM

was read on 6/17/2008 3:47 PM.

From: robb@lakritzadler.com
Sent: Tuesday, June 17, 2008 6:52 PM
To: Mr. Josh Adler <josh@lakritzadler.com>
Subject: Delivered: CONFIDENTIAL: 1920 8th Street Ground Lease
Attach: details.txt

Your message was delivered to the recipient.
Sent via BlackBerry by AT&T

From: Josh Adler <josh@lakritzadler.com>
Sent: Friday, June 27, 2008 6:07 PM
To: tporter@bhope.org
Cc: josh@lakritzadler.com
Subject: Meridian School

Hi Tom,

Following up on our phone call today regarding Meridian School.

As we discussed, we have long controlled an 11,320 SF vacant lot, zoned C2B Arts, at 1920 8th St NW in DC. Right to build 4.5 FAR residential or commercial and up to 65' height, or about 51,000 total square feet above grade. Site is two blocks from both the U Street and Shaw/Howard Metro Stations. The Meridian Public Charter School has wanted to build a new customer school for their 500 students at the site for at least a year now, but the board has been split, and ultimately has proved unwilling to commit to the financial risk of building and owning a building. Currently they lease a building on Florida off 13th Street, which as you have seen, is, shall we say, not ideal for school use. They consider the 8th Street site to be a superior location for their purposes, and a new, highly visible facility next to Metro would clearly be a huge competitive advantage long-term for the school's enrollment and programs, especially compared to the dump they are in today.

Until last week, they had been holding out to get the Meyer Elementary School on 11th Street from DC, but they lost their bid for it. Now their choices are to renew on Florida, or take our site. Their board met on Wednesday night, and the result was that they decided their first choice would be to lease a new custom building at 8th Street, but they do not want to deal with building a new building. They want us, or someone else, to build and own it.

They have $4 million of free cash, and they have spent a great deal of time and money over the past year investigating our site, designing a 42,000 SF new school for our site (they hired Stoiber & Associates), and pricing out the construction, working with Ellen Herman at Staubach. The latest estimate of total construction cost for their proposed building is about $11 million, not including land cost.

We are open to a build to suit for lease situation, but we are not sure if their credit will support the construction loan and long term financing. Also, there is probably an affordability gap between the market rate lease necessary to justify a new construction building and what the school can afford – although that gap is not present if they own the building, since they have a low cost of capital and are, in effect, paying wholesale rather than retail by building it themselves. We would like to see if Building Hope, perhaps working with the State Education Office, can help us figure this out.

Another idea would be for us to sell the site to Building Hope, and Building Hope builds the school and leases it to Meridian, which I understand you have done before for other schools. Recall the we have a complicated, but favorable, subordinated ground lease with purchase option on the site, which could accrue to Building Hope's benefit in a transfer.

Let me know what you might be able to do next week, and perhaps we can conference with Ellen Herman at Staubach and Stefan or Vanessa at SOE.

Thanks,

Josh Adler
Cel 202-368-9669
Office 202-882-0808

From: Tom Porter <tporter@bhope.org>
Sent: Tuesday, July 1, 2008 7:51 AM
To: Josh Adler <josh@lakritzadler.com>
Subject: RE: Meridian School

Josh – thanks for the email. I want to talk to Joe about this and we will be getting back to you soon.

It was good talking with you. I'm glad that Meridian is moving in the direction of a permanent home.

tom

Thomas E. Porter
Director, Real Estate Operations
Building Hope
910 17th Street, NW Suite 1100
Washington, DC 20006
Phone: 202-457-1990
Cell: 202-997-9618
Fax: 202-457-1980
www.buildinghope.org

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Friday, June 27, 2008 6:07 PM
To: Tom Porter
Cc: josh@lakritzadler.com
Subject: Meridian School

Hi Tom,

Following up on our phone call today regarding Meridian School.

As we discussed, we have long controlled an 11,320 SF vacant lot, zoned C2B Arts, at 1920 8th St NW in DC. Right to build 4.5 FAR residential or commercial and up to 65' height, or about 51,000 total square feet above grade. Site is two blocks from both the U Street and Shaw/Howard Metro Stations. The Meridian Public Charter School has wanted to build a new customer school for their 500 students at the site for at least a year now, but the board has been split, and ultimately has proved unwilling to commit to the financial risk of building and owning a building. Currently they lease a building on Florida off 13th Street, which as you have seen, is, shall we say, not ideal for school use. They consider the 8th Street site to be a superior location for their purposes, and a new, highly visible facility next to Metro would clearly be a huge competitive advantage long-term for the school's enrollment and programs, especially compared to the dump they are in today.

Until last week, they had been holding out to get the Meyer Elementary School on 11th Street from DC, but they lost their bid for it. Now their choices are to renew on Florida, or take our site. Their board met on Wednesday night, and the result was that they decided their first choice would be to lease a new custom building at 8th Street, but they do not want to deal with building a new building. They want us, or someone else, to build and own it.

They have $4 million of free cash, and they have spent a great deal of time and money over the past year investigating our site, designing a 42,000 SF new school for our site (they hired Stoiber & Associates), and pricing out the construction, working with Ellen Herman at Staubach. The latest estimate of total construction cost for their proposed building is about $11 million, not including land cost.

We are open to a build to suit for lease situation, but we are not sure if their credit will support the construction loan and long term financing. Also, there is probably an affordability gap between the market rate lease necessary to justify a new construction building and what the school can afford – although that gap is not present if they own the building, since they have a low cost of capital and are, in effect, paying wholesale rather than retail by building it themselves. We would like to see if Building Hope, perhaps working with the State Education Office, can help us figure this out.

Another idea would be for us to sell the site to Building Hope, and Building Hope builds the school and leases it to Meridian, which I understand you have done before for other schools. Recall the we have a complicated, but favorable, subordinated ground lease with purchase option on the site, which could accrue to Building Hope's benefit in a transfer.

Let me know what you might be able to do next week, and perhaps we can conference with Ellen Herman at Staubach and Stefan or Vanessa at SOE.

Thanks,

Josh Adler
Cel 202-368-9669
Office 202-882-0808

From: Josh Adler <josh@lakritzadler.com>
Sent: Tuesday, July 1, 2008 6:38 PM
To: 'Tom Porter' <tporter@bhope.org>
Subject: RE: Meridian School

Hi Tom,

I might not have mentioned this to you on the phone, but the potential for making an arrangement with Meridian School for 1920 8th Street is now time sensitive for us. Last week WMATA moved to award the adjacent site to a different development group (we were competing for it) and that group has now approached us to acquire 1920 8th into their project. We are just beginning negotiations with them, so I think there is time to work out a deal with Meridian first, especially since Meridian has already spent at least six months on due diligence for this site, and I think Meridian or Building Hope will be in a position to commit to the site sooner than the other development group, in part because of the amount of due diligence already completed, and in part because the Metro process is quite lengthy, even after they have given initial term sheet to a developer. Nonetheless, we will have to reach some sort of terms with the other developer in the next few weeks, so now is the time for Meridian and/or Building Hope to act.

Thanks,

Josh

From: Tom Porter [mailto:tporter@bhope.org]
Sent: Tuesday, July 01, 2008 7:51 AM
To: Josh Adler
Subject: RE: Meridian School

Josh – thanks for the email. I want to talk to Joe about this and we will be getting back to you soon.

It was good talking with you. I'm glad that Meridian is moving in the direction of a permanent home.

tom

Thomas E. Porter
Director, Real Estate Operations
Building Hope
910 17th Street, NW Suite 1100
Washington, DC 20006
Phone: 202-457-1990
Cell: 202-997-9618
Fax: 202-457-1980
www.buildinghope.org

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Friday, June 27, 2008 6:07 PM
To: Tom Porter
Cc: josh@lakritzadler.com
Subject: Meridian School

Hi Tom,

Following up on our phone call today regarding Meridian School.

As we discussed, we have long controlled an 11,320 SF vacant lot, zoned C2B Arts, at 1920 8th St NW in DC. Right to build 4.5 FAR residential or commercial and up to 65' height, or about 51,000 total square feet above grade. Site is two

blocks from both the U Street and Shaw/Howard Metro Stations. The Meridian Public Charter School has wanted to build a new customer school for their 500 students at the site for at least a year now, but the board has been split, and ultimately has proved unwilling to commit to the financial risk of building and owning a building. Currently they lease a building on Florida off 13th Street, which as you have seen, is, shall we say, not ideal for school use. They consider the 8th Street site to be a superior location for their purposes, and a new, highly visible facility next to Metro would clearly be a huge competitive advantage long-term for the school's enrollment and programs, especially compared to the dump they are in today.

Until last week, they had been holding out to get the Meyer Elementary School on 11th Street from DC, but they lost their bid for it. Now their choices are to renew on Florida, or take our site. Their board met on Wednesday night, and the result was that they decided their first choice would be to lease a new custom building at 8th Street, but they do not want to deal with building a new building. They want us, or someone else, to build and own it.

They have $4 million of free cash, and they have spent a great deal of time and money over the past year investigating our site, designing a 42,000 SF new school for our site (they hired Stoiber & Associates), and pricing out the construction, working with Ellen Herman at Staubach. The latest estimate of total construction cost for their proposed building is about $11 million, not including land cost.

We are open to a build to suit for lease situation, but we are not sure if their credit will support the construction loan and long term financing. Also, there is probably an affordability gap between the market rate lease necessary to justify a new construction building and what the school can afford – although that gap is not present if they own the building, since they have a low cost of capital and are, in effect, paying wholesale rather than retail by building it themselves. We would like to see if Building Hope, perhaps working with the State Education Office, can help us figure this out.

Another idea would be for us to sell the site to Building Hope, and Building Hope builds the school and leases it to Meridian, which I understand you have done before for other schools. Recall the we have a complicated, but favorable, subordinated ground lease with purchase option on the site, which could accrue to Building Hope's benefit in a transfer.

Let me know what you might be able to do next week, and perhaps we can conference with Ellen Herman at Staubach and Stefan or Vanessa at SOE.

Thanks,

Josh Adler
Cel 202-368-9669
Office 202-882-0808

From: Josh Adler <josh@lakritzadler.com>
Sent: Tuesday, July 1, 2008 6:42 PM
To: 'Ronald Ridker' <rridker@comcast.net>
Subject: 1920 8th

Ron,

I spoke to Ellen about Meridian's interest in structure a build-to-suit with lease for 1920 8th. I also spoke to Building Hope about it. I think there is a pretty good chance we can work something out that will work for Meridian, if Building Hope will support it, and there is a good chance that they can help. Building Hope has purchased sites and built charter schools for lease in D.C. before, and they also arrange credit enhancements (lease guarantees) or subsidize build-out costs for charter schools to make it possible for a developer to get financing against a build-to-suit like this.

So I would not give up hope on this.

Let's all talk when you get back.

Thanks,

Josh

LAKRITZ | ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Tom Porter <tporter@bhope.org>
Sent: Wednesday, July 2, 2008 6:58 AM
To: Josh Adler <josh@lakritzadler.com>
Subject: RE: Meridian School

Joe is in Florida today, but I will reach out to him tomorrow on this issue.

Tom

Thomas E. Porter
Director, Real Estate Operations
Building Hope
910 17th Street, NW Suite 1100
Washington, DC 20006
Phone: 202-457-1990
Cell: 202-997-9618
Fax: 202-457-1980
www.buildinghope.org

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, July 01, 2008 6:38 PM
To: Tom Porter
Subject: RE: Meridian School

Hi Tom,

I might not have mentioned this to you on the phone, but the potential for making an arrangement with Meridian School for 1920 8th Street is now time sensitive for us. Last week WMATA moved to award the adjacent site to a different development group (we were competing for it) and that group has now approached us to acquire 1920 8th into their project. We are just beginning negotiations with them, so I think there is time to work out a deal with Meridian first, especially since Meridian has already spent at least six months on due diligence for this site, and I think Meridian or Building Hope will be in a position to commit to the site sooner than the other development group, in part because of the amount of due diligence already completed, and in part because the Metro process is quite lengthy, even after they have given initial term sheet to a developer. Nonetheless, we will have to reach some sort of terms with the other developer in the next few weeks, so now is the time for Meridian and/or Building Hope to act.

Thanks,

Josh

From: Tom Porter [mailto:tporter@bhope.org]
Sent: Tuesday, July 01, 2008 7:51 AM
To: Josh Adler
Subject: RE: Meridian School

Josh – thanks for the email. I want to talk to Joe about this and we will be getting back to you soon.

It was good talking with you. I'm glad that Meridian is moving in the direction of a permanent home.

tom

Thomas E. Porter
Director, Real Estate Operations
Building Hope

910 17th Street, NW Suite 1100
Washington, DC 20006
Phone: 202-457-1990
Cell: 202-997-9618
Fax: 202-457-1980
www.buildinghope.org

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Friday, June 27, 2008 6:07 PM
To: Tom Porter
Cc: josh@lakritzadler.com
Subject: Meridian School

Hi Tom,

Following up on our phone call today regarding Meridian School.

As we discussed, we have long controlled an 11,320 SF vacant lot, zoned C2B Arts, at 1920 8th St NW in DC. Right to build 4.5 FAR residential or commercial and up to 65' height, or about 51,000 total square feet above grade. Site is two blocks from both the U Street and Shaw/Howard Metro Stations. The Meridian Public Charter School has wanted to build a new customer school for their 500 students at the site for at least a year now, but the board has been split, and ultimately has proved unwilling to commit to the financial risk of building and owning a building. Currently they lease a building on Florida off 13th Street, which as you have seen, is, shall we say, not ideal for school use. They consider the 8th Street site to be a superior location for their purposes, and a new, highly visible facility next to Metro would clearly be a huge competitive advantage long-term for the school's enrollment and programs, especially compared to the dump they are in today.

Until last week, they had been holding out to get the Meyer Elementary School on 11th Street from DC, but they lost their bid for it. Now their choices are to renew on Florida, or take our site. Their board met on Wednesday night, and the result was that they decided their first choice would be to lease a new custom building at 8th Street, but they do not want to deal with building a new building. They want us, or someone else, to build and own it.

They have $4 million of free cash, and they have spent a great deal of time and money over the past year investigating our site, designing a 42,000 SF new school for our site (they hired Stoiber & Associates), and pricing out the construction, working with Ellen Herman at Staubach. The latest estimate of total construction cost for their proposed building is about $11 million, not including land cost.

We are open to a build to suit for lease situation, but we are not sure if their credit will support the construction loan and long term financing. Also, there is probably an affordability gap between the market rate lease necessary to justify a new construction building and what the school can afford – although that gap is not present if they own the building, since they have a low cost of capital and are, in effect, paying wholesale rather than retail by building it themselves. We would like to see if Building Hope, perhaps working with the State Education Office, can help us figure this out.

Another idea would be for us to sell the site to Building Hope, and Building Hope builds the school and leases it to Meridian, which I understand you have done before for other schools. Recall the we have a complicated, but favorable, subordinated ground lease with purchase option on the site, which could accrue to Building Hope's benefit in a transfer.

Let me know what you might be able to do next week, and perhaps we can conference with Ellen Herman at Staubach and Stefan or Vanessa at SOE.

Thanks,

Josh Adler

Cel 202-368-9669
Office 202-882-0808

From: Josh Adler <josh@lakritzadler.com>
Sent: Monday, July 7, 2008 6:49 PM
To: 'Merrick Malone' <malone@metropolis-dc.com>
Cc: 'Scott Pannick' <pannick@metropolis-dc.com>
Subject: FW: CONFIDENTIAL: 1920 8th Street Ground Lease
Attach: 1920 8th St NW Plat.pdf; 1920 8th NPV.xls; 1920 8th street standalone rendering 12-17-07.jpg

---

Merrick – per our conversation, here is the proposal we sent Omar on June 17.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, June 17, 2008 3:42 PM
To: 'okarim@bannekerventures.com'
Subject: CONFIDENTIAL: 1920 8th Street Ground Lease

PERSONAL AND CONFIDENTIAL

Hello Omar:

Following up on our telephone conversation today, we'd like to see if there is a mutually agreeable arrangement we can reach with respect to the transfer of our ground lease and purchase option on 1920 8th Street to your organization for inclusion in your proposed project on the adjacent WMATA parcels. 1920 8th Street, AKA 1916-1930 8th Street, NW, is an 11,320 SF lot in the C2B/Arts zone. A plat is attached.

We have designed a free-standing 47,600 SF by-right commercial building with 26 surface parking spaces for the site, which we intend to begin marketing for pre-lease or sale in the event that we are unable to develop this site with the adjacent WMATA parcels or reach an acceptable arrangement with the selected developer for the WMATA parcels. I'm attaching a rendering of that plan as well.

To recap, the Ground Lease contains the following essential terms:

- Medal, Inc., as Landlord and 1920 8th Street, LLC, as Tenant.
- Commenced August 3, 2007, with a one year base term and nine one-year renewal options
- Ground rent of $225,000/year in the first year, $150,000/year for renewal terms 1-4, and $200,000/year for renewal terms 5-9.
- Purchase option exercisable at any time during base term and renewals. Exercise price of $4,800,000 in the base term, increasing by 1.5% in each of the first three renewal terms and then remaining fixed at $5,019,256.20 for the remainder of the renewal terms.
- $100,000 of ground rent, once paid, credited toward the purchase option in the base term and in each of the first two renewal terms, with 100% of ground rent paid following the second renewal term and in every renewal term thereafter credited toward the option price. Therefore the purchase option balance due at the end of the last renewal term (that is, on August 3, 2017) shall be $3,419,256.20.
- A one time fee of $175,000 payable to Landlord for resubordination of Landlord's fee interest in land to Tenant's permanent financing lender (if such lender is different from Tenant's construction lender), to be paid upon the sooner of: 1) resubordination of Landlord fee interest to new lender following substantial completion of project, or 2) upon exercise of purchase option.
- Landlord is obliged under the ground lease to subordinate its unencumbered fee interest in the Property to Tenant's Construction Lender (and subsequent lenders), meaning that Tenant has full use of the land value of the Property as collateral to secure its construction financing.
- For an additional $30,000 one-time "combination fee", Landlord is required to allow Tenant to cross-collateralize Landlord's fee interest with other adjacent parcels, and combine the Ground Lease parcel with other adjacent parcels through the subdivision process. In other words, a developer can use the Landlord's land equity to finance a project that includes, but is not limited, to the 1920 8th Street property itself.
- Ground Lease is freely assignable and transferrable by Tenant without any consent or restriction by Landlord.

As we discussed, there are two big value benefits in the Ground Lease as we have structured it: 1) the ground lease payments pay down the purchase option over ten years, resulting in a very favorable carry cost and total land cost under

the ground lease compared to a fee simple purchase at market value today, especially after discounting for the time-value of money over that period; and 2) the Landlord's obligation to subordinate his fee interest in the land to the developer's construction and permanent financing means that the developer is effectively replacing third party investor cash equity -- the most expensive kind of money -- with low-cost senior debt collateralized by the Landord's fee interest, greatly enhancing the share of profits that the developer keeps and greatly enhancing investor cash returns through a super-leveraging effect, and amplifying the impact of the back-loading of the land purchase cost in net present value calculations.

The attached Excel spreadsheet shows the value of the ground lease and purchase option today, once the future payments are discounted over the balance of the ten year term. As you can see from the highlighted column, a ground lease purchaser that pays a $3.5 million assignment fee for the ground lease in August 2008, pays the ground lease directly until the end of its final term, and then exercises the final option price of about $3.6 million in August 2017, is paying the equivalent of $100/FAR-foot for the fee interest in the land today, and this is how we have derived our assignment price. I should note that a bank-ordered appraisal obtained for 1920 8th several years ago put the land value at $6.5 million, or $127/FAR-foot, so we are discounting considerably from that value, to your benefit, by using the lower $100/FAR-foot value. [Note that this is also about 10% lower than the value offered by Banneker to WMATA for the adjacent parcels, which have the tunnel beneath them.]

Since you do not anticipate closing on the assignment until next year, we need to make some accommodation for the delayed closing, the payments we have already made toward the Ground Lease and the ongoing cost of the Ground Lease to us until you close.

Our thought on this would be to sell you a $3.5 million option on the ground lease for approximately our cost to-date and expected cost through August 3, 2009, by which time settlement on the ground lease assignment would have to occur. Most of your advance payment would be credited to the assignment price at settlement.

As of August 3, 2009, our two years of ground lease payments and property taxes (approximately) will have come to about $500,000 – that is the amount we will have paid to Medal, Inc., and to the D.C. Government for property tax, and does not include any of our legal, due diligence, or any other costs associated with the site. We would also charge a $100,000 nonrefundable fee for a partial recovery of these costs. All but the $100,000 fee would be credited toward your $3.5 million assignment cost at settlement, and all would be nonrefundable in the event that you failed to close, in which case control of the Ground Lease would revert to us.

To summarize our proposal:

1) We ("Seller") would enter into an assignment contract with respect to the Ground Lease with you ("Purchaser")
2) Purchaser would make a nonrefundable one-time payment of $600,000 ("Assignment Option Fee") directly to 1920 8th Street LLC upon execution of the assignment contract (following a reasonable due diligence period for Purchaser's legal review of the Ground Lease and any investigation of the site)
3) The Assignment Option Fee would reimburse 1920 8th Street LLC for the 2007-2008 ground lease and property tax payments already paid, would prepay the 2008-2009 ground lease and property tax payments (through August 4, 2009), and would provide $100,000 additional reimbursement of expenses to 1920 8th Street LLC.
4) Upon Seller's nonrefundable receipt of the Assignment Option Fee, Seller would notify WMATA of its intention to withdraw from competition for the adjacent WMATA parcels.
5) Not later than August 3, 2009, Purchaser would settle on purchase of Ground Lease, by making an additional payment of $3 million to Seller, at which time all of Seller's rights and obligations with respect to Ground Lease would transfer to Purchaser. (Purchase Price is $3.5 million, less credit for $500,000 of the Assignment Option Fee.)
6) If Purchaser failed to settle the purchase of Ground Lease by August 3, 2009, control of Ground Lease would revert to Seller, assignment contract would be null and void, and Seller would retain the $600,000 nonrefundable Assignment Option Fee.

We think this is a simple and fair structure to transfer control of the Ground Lease at its fair market value, and it gives you plenty of time to conclude your settlement with WMATA with minimal risk and exposure. Of course, it also has the substantial benefit to you of making it far less costly to build on WMATA Parcel 2 (you will probably recover most of the assignment cost on that basis alone), and of removing us as competitors for the WMATA parcels.

We would appreciate your feedback on the proposed arrangement by the end of this week. We reserve the right to withdraw or modify this offer at any time in our sole discretion, and without further notice. Please hold confidential this e-mail, any attachments, and all related discussions.

Sincerely,

Joshua Adler

Co-Managing Member
1920 8th Street LLC

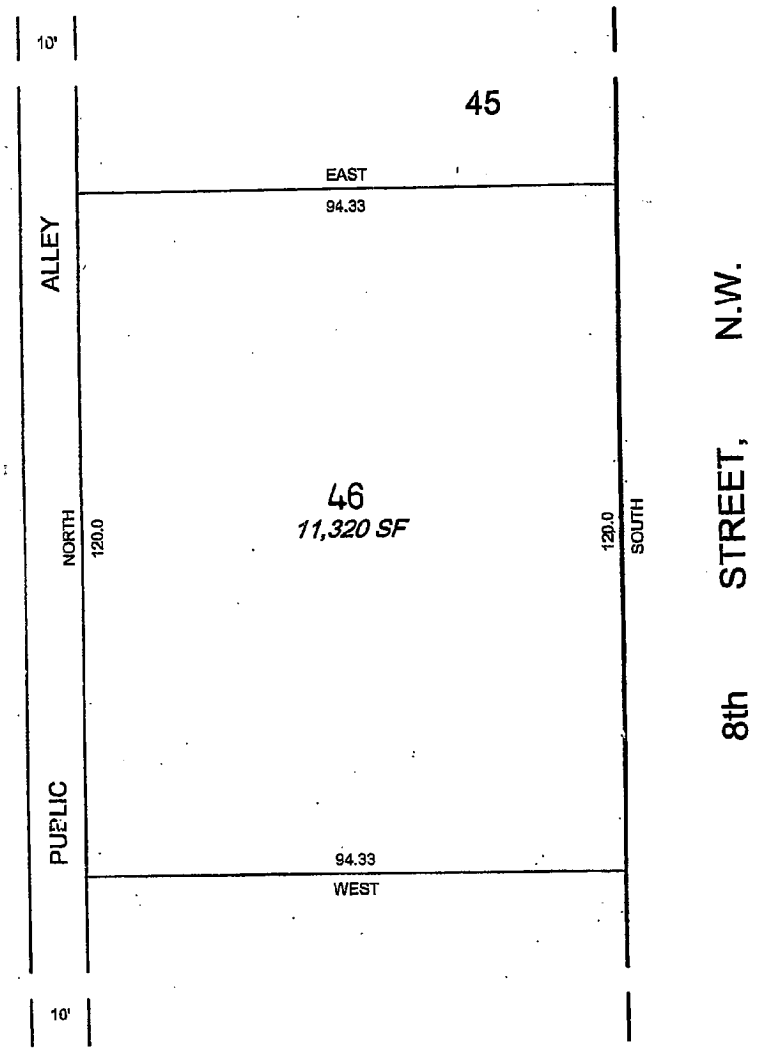
LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 016170

CONFIDENTIAL
LA 408

SUBDIVISION
SQUARE 393



FOIA CONFIDENTIAL TREATMENT REQUESTED

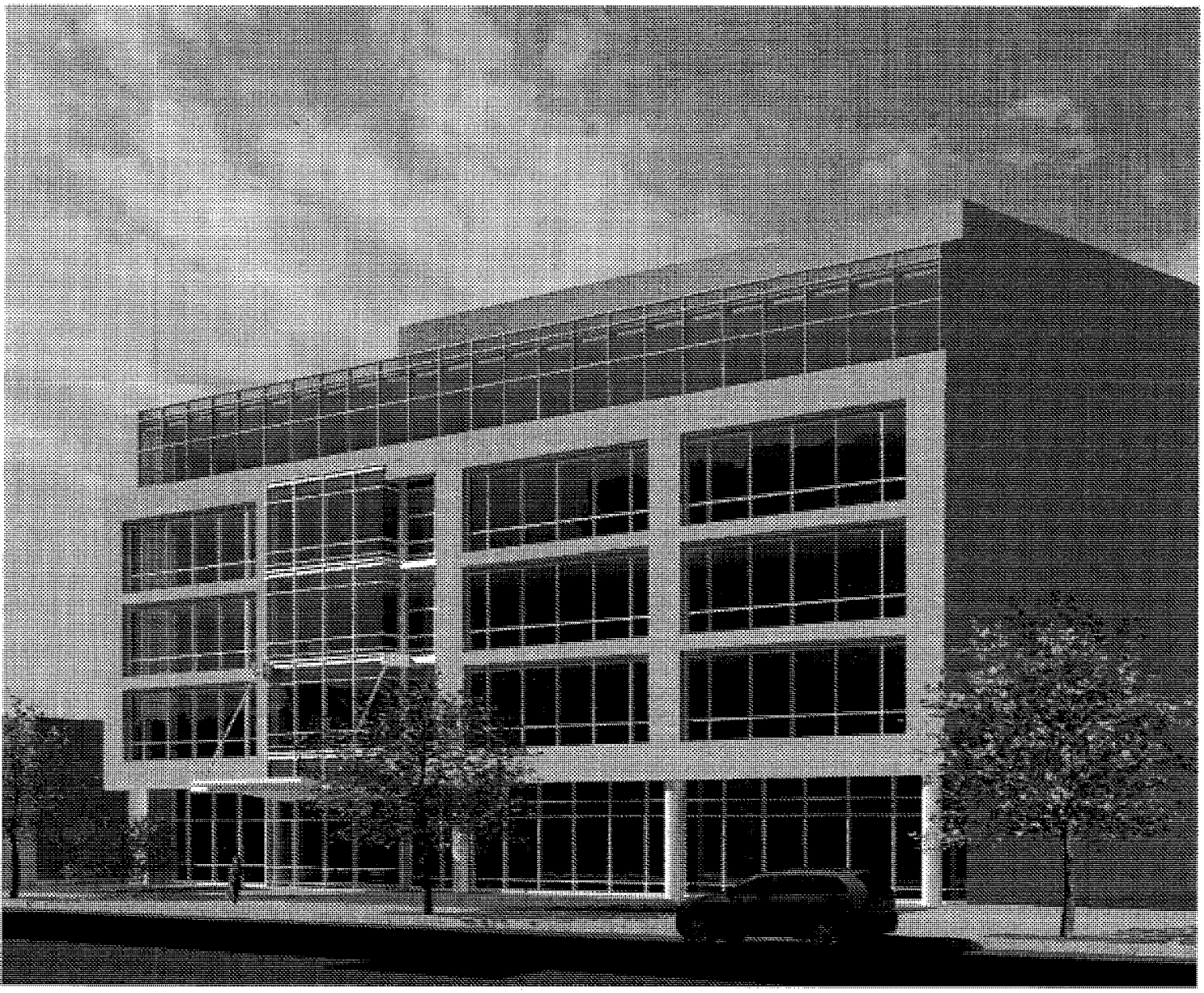
	A	B	C	D	E	F	G
1			Year	1	2	3	4
2	**Effective Discount Rate:**	**15.78%**	Year Ending in August of...	2008	2009	2010	2011
3	Debt Rate	6.5%	Ground Lease Payments (as of Year End)	*Pre-Paid*	$ 150,000.00	$ 150,000.00	$ 150,000.00
4	Equity Rate	20%	Accumulated Toward Option	$ 100,000.00	$ 200,000.00	$ 300,000.00	$ 450,000.00
5			Option Price at Year End - 1 day	$ 4,875,000.00	$ 4,847,000.00	$ 4,820,080.00	$ 4,744,256.20
6			NPV in Aug 08 if Option Exercised this Year	$ 4,875,000.00	$3,745,647.38	$3,347,478.40	$2,978,708.61
7			(Assume rent paid at year start, option at year end)				
8			Ground Lease Assignment Fee (Paid Aug 2008)	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00
9			Effective Purchase Price	$ 8,375,000.00	$ 7,245,647.38	$ 6,847,478.40	$ 6,478,708.61
10			Potental Floor Area at 4.5 FAR (SF)	50940	50940	50940	50940
11			**Effective Price per FAR-foot**	**$ 164.41**	**$ 142.24**	**$ 134.42**	**$ 127.18**
12		2008 Value/FAR-ft					
13		$ 100.00	Property Market Value at Year End, starting at X/FAR-ft	$ 5,094,000.00	$ 5,094,000.00	$ 5,094,000.00	$ 5,094,000.00
14			Net Land Equity at Assignment (Replaces Cash Equity)	$ 1,594,000.00	$ 1,594,000.00	$ 1,594,000.00	$ 1,594,000.00
15			Percentage Land Value as Cash	68.71%	68.71%	68.71%	68.71%
16			Percentage Land Value as Debt (i.e., "free" equity)	31.29%	31.29%	31.29%	31.29%
17			Debt Rate x Debt Share of Land Equity	2.03%	2.03%	2.03%	2.03%
18			Equity Rate x Cash Share of Land Equity	13.74%	13.74%	13.74%	13.74%
19			Effective Discount Rate (average cost of capital)	15.78%	15.78%	15.78%	15.78%

WMATA-INV 016172

FOIA CONFIDENTIAL TREATMENT REQUESTED

	H	I	J	K	L	M
1	5	6	7	8	9	10
2	2012	2013	2014	2015	2016	**2017**
3	$ 150,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00
4	$ 600,000.00	$ 800,000.00	$ 1,000,000.00	$ 1,200,000.00	$ 1,400,000.00	$ 1,600,000.00
5	$ 4,594,256.20	$ 4,394,256.20	$ 4,194,256.20	$ 3,994,256.20	$ 3,794,256.20	$ 3,594,256.20
6	$2,630,278.20	$2,342,426.29	$2,105,113.26	$1,909,910.73	$1,749,748.89	$1,618,702.72
7						
8	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00
9	$ 6,130,278.20	$ 5,842,426.29	$ 5,605,113.26	$ 5,409,910.73	$ 5,249,748.89	$ 5,118,702.72
10	50940	50940	50940	50940	50940	50940
11	**$ 120.34**	**$ 114.69**	**$ 110.03**	**$ 106.20**	**$ 103.06**	**$ 100.48**
12						
13	$ 5,094,000.00	$ 5,094,000.00	$ 5,094,000.00	$ 5,094,000.00	$ 5,094,000.00	$ 5,094,000.00
14	$ 1,594,000.00	$ 1,594,000.00	$ 1,594,000.00	$ 1,594,000.00	$ 1,594,000.00	$ 1,594,000.00
15	68.71%	68.71%	68.71%	68.71%	68.71%	68.71%
16	31.29%	31.29%	31.29%	31.29%	31.29%	31.29%
17	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%
18	13.74%	13.74%	13.74%	13.74%	13.74%	13.74%
19	15.78%	15.78%	15.78%	15.78%	15.78%	15.78%

WMATA-INV 016173



From: Josh Adler <josh@lakritzadler.com>
Sent: Monday, July 7, 2008 1:43 PM
To: 'Tom Porter' <tporter@bhope.org>
Subject: 1920 8th

Hi Tom,

When can we discuss next steps with 1920 8th and Meridian?

Thanks,

Josh

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Tom Porter <tporter@bhope.org>
Sent: Monday, July 7, 2008 2:47 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: RE: 1920 8th

Still waiting to hear back from Joe. My sense is that there is little likelihood that he is going to want to take on the development of the project. I sent him another reminder to follow up and will get back to you soon.

Thomas E. Porter
Director, Real Estate Operations
Building Hope
910 17th Street, NW Suite 1100
Washington, DC 20006
Phone: 202-457-1990
Cell: 202-997-9618
Fax: 202-457-1980
www.buildinghope.org

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Monday, July 07, 2008 1:43 PM
To: Tom Porter
Subject: 1920 8th

Hi Tom,

When can we discuss next steps with 1920 8th and Meridian?

Thanks,

Josh

LAKRITZ | ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Tom Porter <tporter@bhope.org>
Sent: Wednesday, July 9, 2008 10:02 AM
To: Josh Adler <josh@lakritzadler.com>
Subject: RE: 1920 8th

Josh – Joe is working on this, he understands your sense of urgency.

I'll keep reminding him.

tom

Thomas E. Porter
Director, Real Estate Operations
Building Hope
910 17th Street, NW Suite 1100
Washington, DC 20006
Phone: 202-457-1990
Cell: 202-997-9618
Fax: 202-457-1980
www.buildinghope.org

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Monday, July 07, 2008 1:43 PM
To: Tom Porter
Subject: 1920 8th

Hi Tom,

When can we discuss next steps with 1920 8th and Meridian?

Thanks,

Josh

LAKRITZ | ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Wednesday, July 9, 2008 3:12 PM
To: 'robb@lakritzadler.com'
Subject: Omar Meeting

Did you cancel?

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: robb@lakritzadler.com
Sent: Wednesday, July 9, 2008 3:52 PM
To: Mr. Josh Adler <josh@lakritzadler.com>
Subject: Re: Omar Meeting

Not yet.

Sent via BlackBerry by AT&T

From: "Josh Adler" <josh@lakritzadler.com>
Date: Wed, 9 Jul 2008 15:12:17 -0400
To: <robb@lakritzadler.com>
Subject: Omar Meeting

Did you cancel?

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, July 10, 2008 1:56 PM
To: 'robb@lakritzadler.com'
Subject: Metropolis

Scott Pannick left a message for me that Metropolis is definitely NOT going to be involved with Banneker on Metro sites.

LAKRITZ|ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Perkins, Dennis @ Washington <Dennis.Perkins@cbre.com>
Sent: Thursday, July 10, 2008 3:25 PM
To: josh@lakritzadler.com
Cc: Jarvis, Ernest @ Washington DC <Ernest.Jarvis@cbre.com>
Subject: Listing Agreement for 1920 8th Street, NW
Attach: CBRE Listing Agreement - 1920 8th Street.DOC

Josh,

Attached please find our listing agreement for 1920 8th Street, NW. Once you have had a chance to review, please let us know if you have any questions. Otherwise we look forward to setting up a time for a project kickoff meeting.

Best,

Dennis Perkins | Vice President
CB Richard Ellis | Brokerage Services
750 9th Street, NW Suite 900 | Washington, DC 20001
T 202 585 5718 | F 202 783 1723
dennis.perkins@cbre.com | www.cbre.com

Please consider the environment before printing this email.

This email may contain information that is confidential or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

CBRE
CB RICHARD ELLIS
EXCLUSIVE LISTING AGREEMENT
CB RICHARD ELLIS, INC.
BROKERAGE AND MANAGEMENT
LICENSED REAL ESTATE BROKER

1. In consideration of the listing for lease of the real property hereinafter described (the "Property") by CB RICHARD ELLIS, INC. ("Broker") and Broker's agreement to use its best efforts to effect a lease or leases of same, the undersigned ("Owner") hereby grants to Broker the exclusive right to negotiate a lease or leases of the Property for a period commencing September 1, 2008, and ending midnight July 31, 2011 (the "Term"). The Property is situated in the City of Washington, D.C., is located at and is further described as the office building at 1920 8th Street, NW, Washington, D.C. References herein to the Property shall be understood to include portions of the Property.

2. Owner agrees to pay Broker a leasing commission equal to three percent (3%) of the aggregate gross lease value, if Broker's Listing Team of Ernest Jarvis and Dennis Perkins procures such lease or five percent (5%) of the aggregate gross lease value, if a cooperating broker, including other salespersons of Broker (except for the Listing Team) procures such lease. Such commission is due and payable to Broker fifty percent (50%) upon full execution and fifty percent (50%) upon the lease commencement date. This commission shall be earned for services rendered if, during the Term: (a) the Property is leased to a tenant procured by Broker, Owner or anyone else; (b) a tenant is procured, by Broker, Owner, or anyone else, who is ready, willing and able to lease the Property on the terms above stated, or on any other terms agreeable to Owner; (c) any contract for the lease of the Property is entered into by Owner; or (d) Owner removes the Property from the market. Broker is authorized to co-operate with and to share its commission with other licensed real estate brokers, regardless of whether said brokers represent prospective tenants or act as Broker's subagents.

3. Owner further agrees to pay Broker a commission in accordance with Paragraph 2, above, if, within one hundred twenty (120) calendar days after the expiration or termination of the Term the Property is leased to, or negotiations continue, resume or commence and thereafter continue leading to the execution of a lease with any person or entity (including his/her/its successors, assigns or affiliates) with whom Broker has negotiated (either directly or through another broker or agent) or to whom the Property has been submitted prior to the expiration or termination of the Term. Broker is authorized to continue negotiations with such persons or entities. Broker agrees to submit a list of such persons or entities to Owner not later than fifteen (15) calendar days following the expiration or termination of the Term, provided, however, that if a written offer has been submitted it shall not be necessary to include the offeror's name on the list.

4. OWNER FURTHER AGREES THAT (a) IF A SALE, EXCHANGE OR OPTION TO PURCHASE THE PROPERTY IS MADE DURING THE TERM TO ANYONE, OR (b) IF, WITHIN ONE HUNDRED TWENTY (120) CALENDAR DAYS AFTER THE EXPIRATION OR TERMINATION OF THE TERM, THE PROPERTY IS SOLD, EXCHANGED, OR AN OPTION TO PURCHASE IS GRANTED, OR NEGOTIATIONS CONTINUE, RESUME OR COMMENCE AND THEREAFTER CONTINUE LEADING TO A SALE, EXCHANGE OR GRANT OF AN OPTION TO ANY PERSON OR ENTITY AS DESCRIBED IN PARAGRAPH 3 ABOVE, OWNER SHALL PAY BROKER A SALES COMMISSION IN THE AMOUNT OF THREE PERCENT (3%) OF THE GROSS SALES PRICE, PAYABLE AT CLOSING.

5. Commissions shall be payable hereunder when earned or at lease execution, closing, closing of escrow, recordation of the deed, or possession by the purchaser or tenant.

6. If security, earnest money or similar deposits made by a prospective tenant or purchaser are forfeited, in addition to any other rights of Broker pursuant to this Agreement, Broker shall be entitled to one-half (1/2) thereof, but not to exceed the total amount of the anticipated commission.

7. To the extent permitted by applicable law, Broker is authorized to deduct its commissions from any deposits, payments or other funds, including proceeds of rental payments or sale, paid by a tenant or purchaser in connection with a transaction contemplated by this Agreement, and Owner hereby irrevocably assigns said funds and proceeds to Broker to the extent necessary to pay said commissions. Broker is authorized to provide a copy of this Agreement to any tenant or escrow or closing agent working on such transaction, and such escrow or closing agent, or tenant, is hereby instructed by Owner to pay Broker's commissions from any such funds or proceeds available. Owner shall remain liable for the entire amount of said commissions regardless of whether Broker exercises its rights under this paragraph.

8. Owner and Broker agree that the Property will be offered in compliance with all applicable federal, state and local anti discrimination laws and regulations.

9. Owner agrees to cooperate with Broker in effecting leases of the Property and immediately to refer to Broker all inquiries of anyone interested in the Property. All negotiations are to be through Broker. Broker is authorized to accept a deposit from any prospective tenant and to handle it in accordance with the instructions of the parties unless contrary to applicable law. Broker is exclusively authorized to advertise the Property and exclusively authorized to place a sign(s) on the Property if, in Broker's opinion, such would facilitate the leasing of the Property. Owner

FOIA CONFIDENTIAL TREATMENT REQUESTED **WMATA-INV 016191**

represents that it is the owner of the Property. Owner and its counsel will be responsible for determining the legal sufficiency of a lease and any other documents relating to any transaction contemplated by this Agreement.

10. Broker shall assemble and produce for Owner's review and approval an offering brochure and/or other marketing materials of a type which is customary for similar properties. Owner shall provide the information in its possession, custody or control regarding the Property necessary for Broker to prepare a professional offering brochure. The cost of such offering brochure shall be borne by Owner. At Broker's option, Owner shall be responsible either (i) to make payment directly to the third party vendors involved in the preparation of the offering materials or (ii) to reimburse Broker for its costs and expenses incurred in the preparation of such materials.

11. Owner agrees to disclose to Broker and to prospective tenants or purchasers any and all information which Owner has regarding present and future zoning and environmental matters affecting the Property and the condition of the Property, including, but not limited to structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks in, on or about the Property. Broker is authorized to disclose any such information to prospective tenants or buyers.

12. Owner acknowledges that Broker is a national brokerage firm and that in some cases it may represent prospective tenants or purchasers. Owner desires that the Property be presented to such persons or entities, and consents to the dual representation created thereby. Broker shall not disclose the confidential information of one principal to the other.

13. In the event that the Property comes under the jurisdiction of a bankruptcy court, Owner shall immediately notify Broker of the same, and shall promptly take all steps necessary to obtain court approval of Broker's appointment, unless Broker shall elect to terminate this Agreement upon said notice.

14. In the event that the Property becomes the subject of foreclosure proceedings prior to the expiration of this Agreement, then this Agreement shall be deemed suspended until such time as the Owner may reacquire his interest in the Property within the Term. If this Agreement is suspended pursuant to this paragraph, Broker shall be free to enter into a listing agreement with any receiver, the party initiating the foreclosure, the party purchasing the Property at a foreclosure sale, or any other person having an interest in the Property.

15. In the event of any dispute between Owner and Broker relating to this Agreement, the Property or Owner or Broker's performance hereunder, Owner and Broker agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of Broker executing this Agreement is located. The arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses, including the costs of the arbitration proceeding, and reasonable attorneys' fees.

16. In the event that Owner lists Property with another broker after the expiration or termination of this Agreement, Owner agrees to provide in the subsequent listing agreement that a commission will not be payable to the new broker with respect to transactions for which Owner remains obligated to pay a commission to Broker under paragraphs 3 or 4 hereof. Owner's failure to do so, however, shall not affect Owner's obligations to Broker under paragraphs 3 or 4 hereof.

17. Each signator to this Agreement represents and warrants that (s)he has full authority to sign this Agreement on behalf of the party for whom (s)he signs and that this Agreement binds such party.

18. This Agreement constitutes the entire agreement between Owner and Broker and supersedes all prior discussions, negotiations and agreements, whether oral or written. No amendment, alteration, cancellation or withdrawal of this Agreement shall be valid or binding unless made in writing and signed by both Owner and Broker. This Agreement shall be binding upon, and shall benefit, the heirs, successors and assignees of the parties.

19. The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

The undersigned Owner hereby acknowledges receipt of a copy of this Agreement.

[Next Page Is Signature Page]

Accepted:

CB Richard Ellis, Inc. **Licensed Real Estate Broker**	_____ **Owner**
By:_____	By: _____
Jay B. Olshonsky Title: Managing Director	Title:
Address: 555 11th Street, NW, 3rd Floor Washington, DC 20004	Address:
Date:_____	Date:_____
Telephone: 202-783-8200	Telephone:

CONSULT YOUR ADVISORS - This document has legal consequences. No representation or recommendation is made by Broker as to the legal or tax consequences of this Agreement or the transaction(s) which it contemplates. These are questions for your attorney and financial advisors.

CONFIDENTIAL LA 421

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016193

Subject: Omar Meeting

Location: 13th/G - Au Bon Pain

Start: 7/11/2008 10:00 AM

End: 7/11/2008 10:30 AM

Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: 'Josh Adler'

Resources: 13th/G - Au Bon Pain

When: Friday, July 11, 2008 10:00 AM-10:30 AM (GMT-05:00) Eastern Time (US & Canada).
Where: 13th/G - Au Bon Pain

~~*~*~*~*~*~*~*~*

From: Josh Adler <josh@lakritzadler.com>
Sent: Friday, July 11, 2008 1:44 PM
To: 'Ronald Ridker' <rridker@comcast.net>
Cc: 'Ellen Herman' <Ellen.Herman@Staubach.com>; 'Tom Porter' <tporter@bhope.org>
Subject: rent v. own at 1920 8th
Attach: $11 M Adler budget update 7-11-08.xls

Hi Ron,

I updated Ellen's model from January to compare Meridian's lease renewal terms with Jemal versus owning a new building at 1920 8th on the terms of our ground lease with purchase option, including the assignment fee we proposed last year. I looked at construction cost of $10 million, $11 million, and $12 million, and assume tax exempt bond financing for your long-term hold, with 80% financing. (The Staubach conclusion back in January, you may recall, was that project cost would be between $10 million and $11 million.)

At all three of these prices, the total cost to Meridian to rent rather than own is much higher over first nine years, on the order of about $1 million to $1.8 million of savings, depending on final construction cost. Meridian's benefit form owning rather than renting keeps going up as you look further into the future, because rent keeps rising, while ownership cost actually declines because amortization. And there is a further big drop in the ownership cost starting in 2018, because the ground lease goes away.

This substantial cash flow benefit from owning rather than renting in Meridian's current facility does not take into account any of the more substantial benefits of ownership, which include the appreciation of the property owned, the amortization of the debt, which eventual gets paid off completely, and most of all, the marketing and enrollment benefit to Meridian of having a brand new custom-built facility in a highly visible location right next to Metro, rather than an older, poorly-suited facility hidden off 13th Street. However you look at it, it is hard to see how Meridian is better off renewing rent in the current location versus owning a new custom facility at 8th and Florida.

I don't really understand the board's fear of having a mortgage liability, since the carry cost on the mortgage is lower than the future rent, and since the mortgage is offset by ownership of a prime asset that is appreciating in value and that is eventually paid off entirely. Most real estate owners consider owning an appreciating asset to be a major benefit of ownership over renting, rather than a liability. Nonetheless, my hope is that Building Hope can structuring something that will help alleviate the board's fear on this issue.

We would be happy to work with Meridian, Staubach and Building Hope to structure the transaction in a way that will help everyone move forward.

Thanks,

Josh Adler

LAKRITZ ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D
1	**8th Street Preliminary Projection**			
2	**Assumptions**	Loan Amount	Equity Amount	Total Cost
3	Construction of Building on Property/Downpayment	$ 10,560,000	$ 2,640,000	$ 13,200,000
4	Financing Rate	5.0%		Annual Interest Rate
5	Financing Term	30		Years
6	Operating Expenses/Taxes	see below		per SF
7	Exercise Option/Exercise Price		$ 3,200,000	$ 3,600,000.00
8	**Debt Service On New Building Construction**	$ 723,372	$ 723,372	$ 723,372
9	**Ground Lease Pmt**	$ 225,000	$ 150,000	$ 150,000
10	**Purchase Price**	$ -	$ -	$ -
11	**Operating Expenses**	$ 87,902	$ 90,978	$ 94,163
12	**DownPayment 20% of (Construction plus Land)**	$ 2,640,000		
13	**Total Projected Occupancy Cost (Rent + OpEx)**	**$ 3,676,274**	**$ 964,350**	**$ 967,535**
14	**Net Surplus Available to Pay Occupancy Cost**			
15	**504 Students Enrolled**	**$ 1,099,298**	**$ 1,099,298**	**$ 1,099,298**
16	**450 Students Enrolled**	**$ 1,010,298**	**$ 1,010,298**	**$ 1,010,298**
17	**400 Students Enrolled**	**$ 1,049,947**	**$ 1,049,947**	**$ 1,049,947**
18	**350 Students Enrolled**	**$ 1,025,582**	**$ 1,025,582**	**$ 1,025,582**
19				
20	**Compare to Jemal Renewal**			
21	Rate (NNN)	$21.50		
22	Area (SF)	45,000.00		
23	Increases (per year)	2.50%		
24	RENT (assume 5% bump upon renewal in year 5)	$ 967,500.00	$ 967,500.00	$ 991,687.50
25	Operating Expenses (from above, same as owning)		$ 90,978.36	$ 94,162.61
26	Total Cost to Rent		**$1,058,478.36**	**$1,085,850.11**
27				
28	COST TO OWN (from above, before amortization or appreciation)		$ 964,350	$ 967,535
29	(Excludes Construction Period)			
30	**Annual Savings from Owning (before amortization or appreciation)**		**$94,128.04**	**$118,315.54**

CONFIDENTIAL

WMATA-INV 016199

FOIA CONFIDENTIAL TREATMENT REQUESTED

	E	F	G
1			
2			
3	Note: Assumes total cost, excluding land, of $10 million, and transfer price of $3.2 million		
4			
5			
6			
7			
8	$ 723,372	$ 723,372	$ 723,372
9	$ 150,000	$ 200,000	$ 200,000
10	$ -	$ -	$ -
11	$ 97,458	$ 100,869	$ 104,400
12			
13	**$ 970,830**	**$ 1,024,241**	**$ 1,027,772**
14			
15	**$ 1,099,298**	**$ 1,099,298**	**$ 1,099,298**
16	**$ 1,010,298**	**$ 1,010,298**	**$ 1,010,298**
17	**$ 1,049,947**	**$ 1,049,947**	**$ 1,049,947**
18	**$ 1,025,582**	**$ 1,025,582**	**$ 1,025,582**
19			
20			
21			
22			
23			
24	$ 1,016,479.69	$ 1,041,891.68	$ 1,067,938.97
25	$ 97,458.30	$ 100,869.34	$ 104,399.76
26	**$1,113,937.98**	**$1,142,761.02**	**$1,172,338.74**
27			
28	$ 970,830	$ 1,024,241	$ 1,027,772
29			
30	**$143,107.73**	**$118,519.72**	**$144,567.01**

WMATA-INV 016200

FOIA CONFIDENTIAL TREATMENT REQUESTED

	H	I	J	K	L	M	N	O	P
1									
2									
3									
4									
5									
6				Paid Principal:					
7									
8	$ 723,372	$ 723,372	$ 723,372	$ 807,119					
9	$ 200,000	$ 200,000	$ 200,000	$ -					
10	$ -	$ -	$ -						
11	$ 108,054	$ 111,836	$ 115,750	$ 119,801	$ 123,994	$ 128,334	$ 132,826	$ 137,475	$ 142,286
12									
13	**$ 1,031,426**	**$ 1,035,208**	**$ 1,039,122**	**$ 926,921**					
14									
15	**$ 1,099,298**	**$ 1,099,298**	**$ 1,099,298**	**$ 1,099,298**					
16	**$ 1,010,298**	**$ 1,010,298**	**$ 1,010,298**	**$ 1,010,298**					
17	**$ 1,049,947**	**$ 1,049,947**	**$ 1,049,947**	**$ 1,049,947**					
18	**$ 1,025,582**	**$ 1,025,582**	**$ 1,025,582**	**$ 1,025,582**					
19									
20									
21									
22									
23									
24	$ 1,121,335.92	$ 1,149,369.32	$ 1,178,103.55	$ 1,207,556.14					
25	$ 108,053.76	$ 111,835.64	$ 115,749.88	$ 119,801.13					
26	**$1,229,389.68**	**$1,261,204.96**	**$1,293,853.44**	**$1,327,357.27**					
27									
28	$ 1,031,426	$ 1,035,208	$ 1,039,122	$ 926,921					
29									
30	**$197,963.96**	**$225,997.36**	**$254,731.59**	**$400,436.76**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**

WMATA-INV 016201

FOIA CONFIDENTIAL TREATMENT REQUESTED

	Q	R	S	T	U	V
1						
2						
3						
4						
5						
6						$ (1,752,596.92)
7						
8						
9						
10						
11	$ 147,266	$ 152,420	$ 157,755	$ 163,277	$ 168,991	
12						
13						**$ 12,663,677.57**
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						TOTAL
24						
25						
26					-	$10,685,171.54
27						
28						$ 8,987,404
29						
30	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$1,697,767.73**

WMATA-INV 016202

FOIA CONFIDENTIAL TREATMENT REQUESTED

	W
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	**Total**
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
29	
30	9-year savings, excluding appreciation and amortization (additional benefits of owning)

WMATA-INV 016203

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D
1	**8th Street Preliminary Projection**			
2	**Assumptions**	Loan Amount	Equity Amount	Total Cost
3	Construction of Building on Property/Downpayment	$ 11,360,000	$ 2,840,000	$ 14,200,000
4	Financing Rate	5.0%		Annual Interest Rate
5	Financing Term	30		Years
6	Operating Expenses/Taxes	see below		per SF
7	Exercise Option/Exercise Price		$ 3,200,000	$ 3,600,000.00
8	**Debt Service On New Building Construction**	$ 762,403	$ 762,403	$ 762,403
9	**Ground Lease Pmt**	$ 225,000	$ 150,000	$ 150,000
10	**Purchase Price**	$ -	$ -	$ -
11	**Operating Expenses**	$ 87,902	$ 90,978	$ 94,163
12	**DownPayment 20% of (Construction plus Land)**	$ 2,840,000		
13	**Total Projected Occupancy Cost (Rent + OpEx)**	**$ 3,915,305**	**$ 1,003,381**	**$ 1,006,565**
14	**Net Surplus Available to Pay Occupancy Cost**			
15	**504 Students Enrolled**	**$ 1,099,298**	**$ 1,099,298**	**$ 1,099,298**
16	**450 Students Enrolled**	**$ 1,010,298**	**$ 1,010,298**	**$ 1,010,298**
17	**400 Students Enrolled**	**$ 1,049,947**	**$ 1,049,947**	**$ 1,049,947**
18	**350 Students Enrolled**	**$ 1,025,582**	**$ 1,025,582**	**$ 1,025,582**
19				
20	**Compare to Jemal Renewal**			
21	Rate (NNN)	$21.50		
22	Area (SF)	45,000.00		
23	Increases (per year)	2.50%		
24	RENT (assume 5% bump upon renewal in year 5)	$ 967,500.00	$ 967,500.00	$ 991,687.50
25	Operating Expenses		$ 90,978.36	$ 94,162.61
26	Total Cost to Rent		**$1,058,478.36**	**$1,085,850.11**
27				
28	COST TO OWN (from above, before amortization or appreciation)		$ 1,003,381	$ 1,006,565
29	(Excludes Construction Period)			
30	**Annual Savings from Owning (before amortization or appreciation)**		**$55,097.18**	**$79,284.68**

WMATA-INV 016204

FOIA CONFIDENTIAL TREATMENT REQUESTED

	E	F	G
1			
2			
3	Note: Assumes total cost, excluding land, of $11 million, and transfer price of $3.2 million		
4			
5			
6			
7			
8	$ 762,403	$ 762,403	$ 762,403
9	$ 150,000	$ 200,000	$ 200,000
10	$ -	$ -	$ -
11	$ 97,458	$ 100,869	$ 104,400
12			
13	**$ 1,009,861**	**$ 1,063,272**	**$ 1,066,803**
14			
15	**$ 1,099,298**	**$ 1,099,298**	**$ 1,099,298**
16	**$ 1,010,298**	**$ 1,010,298**	**$ 1,010,298**
17	**$ 1,049,947**	**$ 1,049,947**	**$ 1,049,947**
18	**$ 1,025,582**	**$ 1,025,582**	**$ 1,025,582**
19			
20			
21			
22			
23			
24	$ 1,016,479.69	$ 1,041,891.68	$ 1,067,938.97
25	$ 97,458.30	$ 100,869.34	$ 104,399.76
26	**$1,113,937.98**	**$1,142,761.02**	**$1,172,338.74**
27			
28	$ 1,009,861	$ 1,063,272	$ 1,066,803
29			
30	**$104,076.87**	**$79,488.86**	**$105,536.15**

WMATA-INV 016205

FOIA CONFIDENTIAL TREATMENT REQUESTED

	H	I	J	K	L	M	N	O	P
1									
2									
3									
4									
5									
6				Paid Principal:					
7									
8	$ 762,403	$ 762,403	$ 762,403	$ 850,523					
9	$ 200,000	$ 200,000	$ 200,000	$ -					
10	$ -	$ -	$ -						
11	$ 108,054	$ 111,836	$ 115,750	$ 119,801	$ 123,994	$ 128,334	$ 132,826	$ 137,475	$ 142,286
12									
13	**$ 1,070,457**	**$ 1,074,238**	**$ 1,078,153**	**$ 970,325**					
14									
15	**$ 1,099,298**	**$ 1,099,298**	**$ 1,099,298**	**$ 1,099,298**					
16	**$ 1,010,298**	**$ 1,010,298**	**$ 1,010,298**	**$ 1,010,298**					
17	**$ 1,049,947**	**$ 1,049,947**	**$ 1,049,947**	**$ 1,049,947**					
18	**$ 1,025,582**	**$ 1,025,582**	**$ 1,025,582**	**$ 1,025,582**					
19									
20									
21									
22									
23									
24	$ 1,121,335.92	$ 1,149,369.32	$ 1,178,103.55	$ 1,207,556.14					
25	$ 108,053.76	$ 111,835.64	$ 115,749.88	$ 119,801.13					
26	**$1,229,389.68**	**$1,261,204.96**	**$1,293,853.44**	**$1,327,357.27**					
27									
28	$ 1,070,457	$ 1,074,238	$ 1,078,153	$ 970,325					
29									
30	**$158,933.10**	**$186,966.50**	**$215,700.73**	**$357,032.66**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**

WMATA-INV 016206

FOIA CONFIDENTIAL TREATMENT REQUESTED

	Q	R	S	T	U	V
1						
2						
3						
4						
5						
6						$ (1,885,369.41)
7						
8						
9						
10						
11	$ 147,266	$ 152,420	$ 157,755	$ 163,277	$ 168,991	
12						
13						**$ 13,258,359.43**
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						TOTAL
24						
25						
26						$10,685,171.54
27						
28						$ 9,343,055
29						
30	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$1,342,116.73**

WMATA-INV 016207

FOIA CONFIDENTIAL TREATMENT REQUESTED

	W
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	**Total**
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
29	
30	9-year savings, excluding appreciation and amortization (additional benefits of owning)

WMATA-INV 016208

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D
1	**8th Street Preliminary Projection**			
2	**Assumptions**	Loan Amount	Equity Amount	Total Cost
3	Construction of Building on Property/Downpayment	$ 12,160,000	$ 3,040,000	$ 15,200,000
4	Financing Rate	5.0%		Annual Interest Rate
5	Financing Term	30		Years
6	Operating Expenses/Taxes	see below		per SF
7	Exercise Option/Exercise Price		$ 3,200,000	$ 3,600,000.00
8	**Debt Service On New Building Construction**	$ 801,434	$ 801,434	$ 801,434
9	**Ground Lease Pmt**	$ 225,000	$ 150,000	$ 150,000
10	**Purchase Price**	$ -	$ -	$ -
11	**Operating Expenses**	$ 87,902	$ 90,978	$ 94,163
12	**DownPayment 20% of (Construction plus Land)**	$ 3,040,000		
13	**Total Projected Occupancy Cost (Rent + OpEx)**	**$ 4,154,335**	**$ 1,042,412**	**$ 1,045,596**
14	**Net Surplus Available to Pay Occupancy Cost**			
15	**504 Students Enrolled**	**$ 1,099,298**	**$ 1,099,298**	**$ 1,099,298**
16	**450 Students Enrolled**	**$ 1,010,298**	**$ 1,010,298**	**$ 1,010,298**
17	**400 Students Enrolled**	**$ 1,049,947**	**$ 1,049,947**	**$ 1,049,947**
18	**350 Students Enrolled**	**$ 1,025,582**	**$ 1,025,582**	**$ 1,025,582**
19				
20	**Compare to Jemal Renewal**			
21	Rate (NNN)	$21.50		
22	Area (SF)	45,000.00		
23	Increases (per year)	2.50%		
24	RENT (assume 5% bump upon renewal in year 5)	$ 967,500.00	$ 967,500.00	$ 991,687.50
25	Operating Expenses		$ 90,978.36	$ 94,162.61
26	**COST TO RENT**		**$1,058,478.36**	**$1,085,850.11**
27				
28	**COST TO OWN (from above, before amortization or appreciation)**		$ 1,042,412	$ 1,045,596
29	(Excludes Construction Period)			
30	**Annual Savings from Owning (before amortization or appreciation)**		**$16,066.32**	**$40,253.82**

WMATA-INV 016209

FOIA CONFIDENTIAL TREATMENT REQUESTED

	E	F	G
1			
2			
3	Note: Assumes total cost, excluding land, of $12 million, and transfer price of $3.2 million		
4			
5			
6			
7			
8	$ 801,434	$ 801,434	$ 801,434
9	$ 150,000	$ 200,000	$ 200,000
10	$ -	$ -	$ -
11	$ 97,458	$ 100,869	$ 104,400
12			
13	**$ 1,048,892**	**$ 1,102,303**	**$ 1,105,833**
14			
15	**$ 1,099,298**	**$ 1,099,298**	**$ 1,099,298**
16	**$ 1,010,298**	**$ 1,010,298**	**$ 1,010,298**
17	**$ 1,049,947**	**$ 1,049,947**	**$ 1,049,947**
18	**$ 1,025,582**	**$ 1,025,582**	**$ 1,025,582**
19			
20			
21			
22			
23			
24	$ 1,016,479.69	$ 1,041,891.68	$ 1,067,938.97
25	$ 97,458.30	$ 100,869.34	$ 104,399.76
26	**$1,113,937.98**	**$1,142,761.02**	**$1,172,338.74**
27			
28	$ 1,048,892	$ 1,102,303	$ 1,105,833
29			
30	**$65,046.01**	**$40,458.00**	**$66,505.29**

WMATA-INV 016210

FOIA CONFIDENTIAL TREATMENT REQUESTED

	H	I	J	K	L	M	N	O	P
1									
2									
3									
4									
5									
6				Paid Principal:					
7									
8	$ 801,434	$ 801,434	$ 801,434	$ 893,928					
9	$ 200,000	$ 200,000	$ 200,000	$ -					
10	$ -	$ -	$ -						
11	$ 108,054	$ 111,836	$ 115,750	$ 119,801	$ 123,994	$ 128,334	$ 132,826	$ 137,475	$ 142,286
12									
13	**$ 1,109,487**	**$ 1,113,269**	**$ 1,117,184**	**$ 1,013,729**					
14									
15	**$ 1,099,298**	**$ 1,099,298**	**$ 1,099,298**	**$ 1,099,298**					
16	**$ 1,010,298**	**$ 1,010,298**	**$ 1,010,298**	**$ 1,010,298**					
17	**$ 1,049,947**	**$ 1,049,947**	**$ 1,049,947**	**$ 1,049,947**					
18	**$ 1,025,582**	**$ 1,025,582**	**$ 1,025,582**	**$ 1,025,582**					
19									
20									
21									
22									
23									
24	$ 1,121,335.92	$ 1,149,369.32	$ 1,178,103.55	$ 1,207,556.14					
25	$ 108,053.76	$ 111,835.64	$ 115,749.88	$ 119,801.13					
26	**$1,229,389.68**	**$1,261,204.96**	**$1,293,853.44**	**$1,327,357.27**					
27									
28	$ 1,109,487	$ 1,113,269	$ 1,117,184	$ 1,013,729					
29									
30	**$119,902.24**	**$147,935.64**	**$176,669.87**	**$313,628.55**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**

WMATA-INV 016211

FOIA CONFIDENTIAL TREATMENT REQUESTED

	Q	R	S	T	U	V
1						
2						
3						
4						
5						
6						$ (2,018,141.90)
7						
8						
9						
10						
11	$ 147,266	$ 152,420	$ 157,755	$ 163,277	$ 168,991	
12						
13						**$ 13,853,041.29**
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						TOTAL
24						
25						
26						$10,685,171.54
27						
28						$ 9,698,706
29						
30	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$986,465.74**

WMATA-INV 016212

FOIA CONFIDENTIAL TREATMENT REQUESTED

	W
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	**Total**
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
29	
30	9-year savings, excluding appreciation and amortization (additional benefits of owning)

WMATA-INV 016213

From: Ronald Ridker <rridker@comcast.net>
Sent: Friday, July 11, 2008 2:17 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: Re: rent v. own at 1920 8th

The issue is how to convince the board regarding the risks (losing students because of gentrification and increasing competition from other charters and upgraded public schools, and revenues not keeping up with inflation or maybe even going down because of a more difficult political climate for charters.

Ellen sent me an updated spreadsheet this morning that produces somewhat different results than the one that I put together last January or February. I assume the one she sent me is based on yours. We are gonig to compare the two this afternoon or tomorrow.

----- Original Message -----
From: Josh Adler
To: 'Ronald Ridker'
Cc: 'Ellen Herman' ; 'Tom Porter'
Sent: Friday, July 11, 2008 1:43 PM
Subject: rent v. own at 1920 8th

Hi Ron,

I updated Ellen's model from January to compare Meridian's lease renewal terms with Jemal versus owning a new building at 1920 8th on the terms of our ground lease with purchase option, including the assignment fee we proposed last year. I looked at construction cost of $10 million, $11 million, and $12 million, and assume tax exempt bond financing for your long-term hold, with 80% financing. (The Staubach conclusion back in January, you may recall, was that project cost would be between $10 million and $11 million.)

At all three of these prices, the total cost to Meridian to rent rather than own is much higher over first nine years, on the order of about $1 million to $1.8 million of savings, depending on final construction cost. Meridian's benefit form owning rather than renting keeps going up as you look further into the future, because rent keeps rising, while ownership cost actually declines because amortization. And there is a further big drop in the ownership cost starting in 2018, because the ground lease goes away.

This substantial cash flow benefit from owning rather than renting in Meridian's current facility does not take into account any of the more substantial benefits of ownership, which include the appreciation of the property owned, the amortization of the debt, which eventual gets paid off completely, and most of all, the marketing and enrollment benefit to Meridian of having a brand new custom-built facility in a highly visible location right next to Metro, rather than an older, poorly-suited facility hidden off 13th Street. However you look at it, it is hard to see how Meridian is better off renewing rent in the current location versus owning a new custom facility at 8th and Florida.

I don't really understand the board's fear of having a mortgage liability, since the carry cost on the mortgage is lower than the future rent, and since the mortgage is offset by ownership of a prime asset that is appreciating in value and that is eventually paid off entirely. Most real estate owners consider owning an appreciating asset to be a major benefit of ownership over renting, rather than a liability. Nonetheless, my hope is that Building Hope can structuring something that will help alleviate the board's fear on this issue.

We would be happy to work with Meridian, Staubach and Building Hope to structure the transaction in a way that will help everyone move forward.

Thanks,

Josh Adler

LAKRITZ|ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Friday, July 11, 2008 3:01 PM
To: 'Ronald Ridker' <rridker@comcast.net>
Subject: RE: rent v. own at 1920 8th

My spreadsheet is actually based on hers, not the other way around (adapted from the one she did for you in January), but I have not compared notes with her since January, so I'm sure our most recent projections are a least a little bit different.

Isn't the risk you are describing really your lender's risk, not the school's risk? The school has the risk of losing students or a changing charter school environment regardless of where they are located and regardless of whether they rent or buy. That's the "business risk" of operating a charter school, and has nothing to do with the real estate decision. Now, as it happens, it costs less to own than to rent, so that gives the school more of a cash flow cushion against its operating risk, and in the long run, the school will be building equity which provides additional cushion, because it will be able to generate rental revenue or capital gains from its real estate equity. But the risk of owning property in itself is really a risk to the School's lender, not to the school, other than the risk to the cash equity the school needs to accomplish the financing. It would be a different story if the board members were personally guaranteeing the tax exempt bonds, but I do not expect that would be the case. In this case, if the school performs badly and defaults on its debt, that's just one more consequence to the school performing badly. Either way, it's the same significance for the school – it has to downsize or close, and it will have an ongoing financial liability to the landlord (for any portion of unpaid lease term) or lender (for the difference between the market value of the building and the debt amount, but only if the market value is less than the debt amount). It's just a question of whether your landlord or your lender bears the brunt of the real estate risk. And in the case of ownership, there is a potential upside in this situation – if the real estate has appreciated – which over any significant period of time is pretty much always the case (plus add the accrued principal payments to the loan), you can sell the building or lease part or all of it for a profit, whereas if you are renting and have to downsize you are left with nothing except the money you still owe to the landlord for the rest of the rental term. Jemal is not going to let Meridian off the hook for that any more than a bank would.

From: Ronald Ridker [mailto:rridker@comcast.net]
Sent: Friday, July 11, 2008 2:17 PM
To: Josh Adler
Subject: Re: rent v. own at 1920 8th

The issue is how to convince the board regarding the risks (losing students because of gentrification and increasing competition from other charters and upgraded public schools, and revenues not keeping up with inflation or maybe even going down because of a more difficult political climate for charters.

Ellen sent me an updated spreadsheet this morning that produces somewhat different results than the one that I put together last January or February. I assume the one she sent me is based on yours. We are gonig to compare the two this afternoon or tomorrow.

> ----- Original Message -----
> **From:** Josh Adler
> **To:** 'Ronald Ridker'
> **Cc:** 'Ellen Herman' ; 'Tom Porter'
> **Sent:** Friday, July 11, 2008 1:43 PM
> **Subject:** rent v. own at 1920 8th
>
> Hi Ron,
>
> I updated Ellen's model from January to compare Meridian's lease renewal terms with Jemal versus owning a new building at 1920 8th on the terms of our ground lease with purchase option, including the assignment fee we proposed last year. I looked at construction cost of $10 million, $11 million, and $12 million, and assume tax exempt bond financing for your long-term hold, with 80% financing. (The Staubach conclusion back in January, you may recall, was that project cost would be between $10 million and $11 million.)
>
> At all three of these prices, the total cost to Meridian to rent rather than own is much higher over first nine years, on the

order of about $1 million to $1.8 million of savings, depending on final construction cost. Meridian's benefit form owning rather than renting keeps going up as you look further into the future, because rent keeps rising, while ownership cost actually declines because amortization. And there is a further big drop in the ownership cost starting in 2018, because the ground lease goes away.

This substantial cash flow benefit from owning rather than renting in Meridian's current facility does not take into account any of the more substantial benefits of ownership, which include the appreciation of the property owned, the amortization of the debt, which eventual gets paid off completely, and most of all, the marketing and enrollment benefit to Meridian of having a brand new custom-built facility in a highly visible location right next to Metro, rather than an older, poorly-suited facility hidden off 13th Street. However you look at it, it is hard to see how Meridian is better off renewing rent in the current location versus owning a new custom facility at 8th and Florida.

I don't really understand the board's fear of having a mortgage liability, since the carry cost on the mortgage is lower than the future rent, and since the mortgage is offset by ownership of a prime asset that is appreciating in value and that is eventually paid off entirely. Most real estate owners consider owning an appreciating asset to be a major benefit of ownership over renting, rather than a liability. Nonetheless, my hope is that Building Hope can structuring something that will help alleviate the board's fear on this issue.

We would be happy to work with Meridian, Staubach and Building Hope to structure the transaction in a way that will help everyone move forward.

Thanks,

Josh Adler

LAKRITZ ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Monday, July 14, 2008 3:44 PM
To: 'Ellen Herman' <Ellen.Herman@Staubach.com>
Subject: FW: rent v. own at 1920 8th

FYI

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Friday, July 11, 2008 3:01 PM
To: 'Ronald Ridker'
Subject: RE: rent v. own at 1920 8th

My spreadsheet is actually based on hers, not the other way around (adapted from the one she did for you in January), but I have not compared notes with her since January, so I'm sure our most recent projections are a least a little bit different.

Isn't the risk you are describing really your lender's risk, not the school's risk? The school has the risk of losing students or a changing charter school environment regardless of where they are located and regardless of whether they rent or buy. That's the "business risk" of operating a charter school, and has nothing to do with the real estate decision. Now, as it happens, it costs less to own than to rent, so that gives the school more of a cash flow cushion against its operating risk, and in the long run, the school will be building equity which provides additional cushion, because it will be able to generate rental revenue or capital gains from its real estate equity. But the risk of owning property in itself is really a risk to the School's lender, not to the school, other than the risk to the cash equity the school needs to accomplish the financing. It would be a different story if the board members were personally guaranteeing the tax exempt bonds, but I do not expect that would be the case. In this case, if the school performs badly and defaults on its debt, that's just one more consequence to the school performing badly. Either way, it's the same significance for the school – it has to downsize or close, and it will have an ongoing financial liability to the landlord (for any portion of unpaid lease term) or lender (for the difference between the market value of the building and the debt amount, but only if the market value is less than the debt amount). It's just a question of whether your landlord or your lender bears the brunt of the real estate risk. And in the case of ownership, there is a potential upside in this situation – if the real estate has appreciated – which over any significant period of time is pretty much always the case (plus add the accrued principal payments to the loan), you can sell the building or lease part or all of it for a profit, whereas if you are renting and have to downsize you are left with nothing except the money you still owe to the landlord for the rest of the rental term. Jemal is not going to let Meridian off the hook for that any more than a bank would.

From: Ronald Ridker [mailto:rridker@comcast.net]
Sent: Friday, July 11, 2008 2:17 PM
To: Josh Adler
Subject: Re: rent v. own at 1920 8th

The issue is how to convince the board regarding the risks (losing students because of gentrification and increasing competition from other charters and upgraded public schools, and revenues not keeping up with inflation or maybe even going down because of a more difficult political climate for charters.

Ellen sent me an updated spreadsheet this morning that produces somewhat different results than the one that I put together last January or February. I assume the one she sent me is based on yours. We are gonig to compare the two this afternoon or tomorrow.

> ----- Original Message -----
> **From:** Josh Adler
> **To:** 'Ronald Ridker'
> **Cc:** 'Ellen Herman' ; 'Tom Porter'
> **Sent:** Friday, July 11, 2008 1:43 PM
> **Subject:** rent v. own at 1920 8th

Hi Ron,

I updated Ellen's model from January to compare Meridian's lease renewal terms with Jemal versus owning a new building at 1920 8th on the terms of our ground lease with purchase option, including the assignment fee we proposed last year. I looked at construction cost of $10 million, $11 million, and $12 million, and assume tax exempt bond financing for your long-term hold, with 80% financing. (The Staubach conclusion back in January, you may recall, was that project cost would be between $10 million and $11 million.)

At all three of these prices, the total cost to Meridian to rent rather than own is much higher over first nine years, on the order of about $1 million to $1.8 million of savings, depending on final construction cost. Meridian's benefit form owning rather than renting keeps going up as you look further into the future, because rent keeps rising, while ownership cost actually declines because amortization. And there is a further big drop in the ownership cost starting in 2018, because the ground lease goes away.

This substantial cash flow benefit from owning rather than renting in Meridian's current facility does not take into account any of the more substantial benefits of ownership, which include the appreciation of the property owned, the amortization of the debt, which eventual gets paid off completely, and most of all, the marketing and enrollment benefit to Meridian of having a brand new custom-built facility in a highly visible location right next to Metro, rather than an older, poorly-suited facility hidden off 13th Street. However you look at it, it is hard to see how Meridian is better off renewing rent in the current location versus owning a new custom facility at 8th and Florida.

I don't really understand the board's fear of having a mortgage liability, since the carry cost on the mortgage is lower than the future rent, and since the mortgage is offset by ownership of a prime asset that is appreciating in value and that is eventually paid off entirely. Most real estate owners consider owning an appreciating asset to be a major benefit of ownership over renting, rather than a liability. Nonetheless, my hope is that Building Hope can structuring something that will help alleviate the board's fear on this issue.

We would be happy to work with Meridian, Staubach and Building Hope to structure the transaction in a way that will help everyone move forward.

Thanks,

Josh Adler

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Omar A. Karim [okarim@bannekerventures.com]
Sent: Tuesday, July 15, 2008 3:40:12 PM
To: Josh Adler
Subject: Read: CONFIDENTIAL: 1920 8th Street Offer REVISED

Your message

To: okarim@bannekerventures.com
Subject: CONFIDENTIAL: 1920 8th Street Offer REVISED
Sent: 7/15/2008 3:38 PM

was read on 7/15/2008 3:40 PM.

From: Omar A. Karim <okarim@bannekerventures.com>
Sent: Tuesday, July 15, 2008 3:43 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: Delivered: CONFIDENTIAL: 1920 8th Street Offer REVISED
Attach: details.txt

Your message was delivered to the recipient.

Original-Message-ID:21013
Final-Recipient:okarim@bannekerventures.com
Action:Delivered

From: Josh Adler <josh@lakritzadler.com>
Sent: Tuesday, July 15, 2008 1:52 PM
To: robb@lakritzadler.com
Subject: PLANNING TO SEND THIS...
Attach: 1920 8th NPV at 80 per ft.xls

PERSONAL AND CONFIDENTIAL

Dear Omar:

Following up on our meeting last week, we have revised our proposal for the transfer of our ground lease and purchase option on 1920 8th Street to your organization for inclusion in your proposed project on the adjacent WMATA parcels.

As we discussed in the meeting, there would be a number of benefits to Banneker for including the 1920 8th Street parcel in your development project on the smaller adjacent WMATA parcels. These include:

1) Reduced site work and foundation engineering cost by avoiding placing the building load on the Metro tunnel beneath the WMATA parcel.

2) Much greater construction efficiency (lower average cost by reducing general conditions and other fixed costs per foot) and lower core factor (a higher ratio of net rentable to gross square footage) by building and operating a single 90,000 square foot rather than only a 38,000 square foot building on the site.

3) Higher final valuation factor as well as easier financing for the project by producing an institutional-grade building (approximately 100 units) rather than a non-institutional grade building (only about 40-units).

4) A savings of about nine months off your pre-construction approval time, because with the combined parcels it is possible to build a 90,000 square foot by-right project on the site, with no zoning relief, whereas you will definitely need to go through the nine-month BZA variance process to build anything close to a maximum density building on WMATA Parcel 2 by itself. A true by-right plan is also much easier to finance with lenders and investors compared to a plan that hinges on a successful entitlement process.

In addition, there are the benefits of our subordinated ground lease and purchase option structure. These include: 1) the below market carry cost of the ground lease payments over ten years, which credit toward the purchase option, resulting in a very favorable effective land cost under the ground lease compared to a fee simple purchase at market value today (especially after discounting for the time-value of money over that period); and 2) the Landlord's obligation to subordinate his fee interest in the land to the developer's construction and permanent financing, which means that the developer is effectively replacing third party investor cash equity -- the most expensive kind of money – with low-cost senior debt collateralized by the Landord's fee interest, greatly enhancing the share of profits that the developer keeps and greatly enhancing investor cash returns through a super-leveraging effect. This further amplifies the impact of the back-loading of the land purchase cost in net present value calculations.

In our meeting you stated that you would be willing to pay $80 per FAR-foot today for the 1920 8th Street parcel, which is a price of $4,075,200. As you can see from the attached Excel spreadsheet, if we assign a present value of $80 per FAR-foot to the land (although we have a bank-ordered appraisal valuing the land at over $120/FAR-foot), it is the equivalent paying a $2,670,300 for the ground lease in August 2008, paying the ground lease directly until the end of its final term, and then exercising the final option price of about $3.6 million in August 2017. In other words, owing to the discounting effect of paying most of the purchase price in nine years, rather than today, plus the benefit of getting to use the entire land value as equity for your project, even though you have not paid for the entire land value, paying $2.67 million now and $3.6 million in nine years is equivalent to paying the full $4,075,200 today. This does not even consider the valuation impacts to your project listed above.

Since you do not anticipate closing on the assignment until next year, we need to make some accommodation for the ongoing cost of the Ground Lease until you close, if we are going to tie up the land under your option.

Our thought on this would be to sell you a **$2.32 million** option on the ground lease (after applying advance payments) through August 3, 2009, by which time settlement on the ground lease assignment would have to occur. Your advance payments to the Ground Lease would credit to the assignment price at settlement. This is a considerable reduction from our calculation of the actual market value of the Ground Lease, which is $3.5 million, based on a present value of $100 per FAR-foot.

To summarize our proposal:

1) We ("Seller") would enter into an assignment contract with respect to the Ground Lease with you ("Purchaser")
2) Purchaser would make a nonrefundable one-time payment of $200,000 ("Assignment Option Fee") directly to 1920 8th Street LLC upon execution of the assignment contract (following a reasonable due diligence period for Purchaser's legal review of the Ground Lease and any investigation of the site)
3) Purchaser also would pay the next year of Ground Lease payments and property tax payments (approximately $200,000) into an escrow account, which would disburse the payments to the Landlord each month, as required by the Ground Lease.
4) Not later than August 3, 2009, Purchaser would settle on purchase of Ground Lease, by making an additional payment of $2.42 million to Seller, at which time all of Seller's rights and obligations with respect to Ground Lease would transfer to Purchaser. (Purchase Price is $2.67 million, less credit for $350,000 of the Assignment Option Fee and advance lease payments.)
5) If Purchaser failed to settle the purchase of Ground Lease by August 3, 2009, control of Ground Lease would revert to Seller, assignment contract would be null and void, and Seller would retain the $200,000 nonrefundable Assignment Option Fee.

We think this is a simple and fair structure to transfer control of the Ground Lease at below its fair market value, and it gives you plenty of time to conclude your settlement with WMATA with minimal risk and exposure. As you can see, we have greatly reduced the advance payment amount required to control the ground lease. Of course, it also has the substantial benefits to you of making it far less costly to build on WMATA Parcel 2 (you will probably recover most of the assignment cost on that basis alone), increasing the value and efficiency of your project, saving nine months off your approval time and bringing a substantial amount of land equity into the project financing.

We reserve the right to withdraw or modify this offer at any time in our sole discretion, and without further notice. Please hold confidential this e-mail, any attachments, and all related discussions.

Sincerely,

Joshua Adler
Co-Managing Member
1920 8th Street LLC

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G
1			Year	1	2	3	4
2	**Effective Discount Rate:**	**15.35%**	Year Ending in August of...	2008	2009	2010	2011
3	Debt Rate	6.5%	Ground Lease Payments (as of Year End)	*Pre-Paid*	$ 150,000.00	$ 150,000.00	$ 150,000.00
4	Equity Rate	20%	Accumulated Toward Option	$ 100,000.00	$ 200,000.00	$ 300,000.00	$ 450,000.00
5			Option Price at Year End - 1 day	$ 4,875,000.00	$ 4,847,000.00	$ 4,820,080.00	$ 4,744,256.20
6			NPV in Aug 08 if Option Exercised this Year	$ 4,875,000.00	$3,773,119.69	$3,383,634.97	$3,020,675.23
7			(Assume rent paid at year start, option at year end)				
8			Ground Lease Assignment Fee (Paid Aug 2008)	$ 2,670,300.37	$ 2,670,300.37	$ 2,670,300.37	$ 2,670,300.37
9			Effective Purchase Price	$ 7,545,300.37	$ 6,443,420.06	$ 6,053,935.34	$ 5,690,975.61
10			Potental Floor Area at 4.5 FAR (SF)	50940	50940	50940	50940
11			**Effective Price per FAR-foot**	**$ 148.12**	**$ 126.49**	**$ 118.84**	**$ 111.72**
12		**2008 Value/FAR-ft**					
13		**$ 80.00**	Property Market Value at Year End, starting at X/FAR-ft	$ 4,075,200.00	$ 4,075,200.00	$ 4,075,200.00	$ 4,075,200.00
14			Net Land Equity at Assignment (Replaces Cash Equity)	$ 1,404,899.63	$ 1,404,899.63	$ 1,404,899.63	$ 1,404,899.63
15			Percentage Land Value as Cash	65.53%	65.53%	65.53%	65.53%
16			Percentage Land Value as Debt (i.e., "free" equity)	34.47%	34.47%	34.47%	34.47%
17			Debt Rate x Debt Share of Land Equity	2.24%	2.24%	2.24%	2.24%
18			Equity Rate x Cash Share of Land Equity	13.11%	13.11%	13.11%	13.11%
19			Effective Discount Rate (average cost of capital)	15.35%	15.35%	15.35%	15.35%

WMATA-INV 016232

FOIA CONFIDENTIAL TREATMENT REQUESTED

	H	I	J	K	L	M
1	5	6	7	8	9	10
2	2012	2013	2014	2015	2016	**2017**
3	$ 150,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00
4	$ 600,000.00	$ 800,000.00	$ 1,000,000.00	$ 1,200,000.00	$ 1,400,000.00	$ 1,600,000.00
5	$ 4,594,256.20	$ 4,394,256.20	$ 4,194,256.20	$ 3,994,256.20	$ 3,794,256.20	$ 3,594,256.20
6	$2,675,374.64	$2,389,045.79	$2,152,109.11	$1,956,490.18	$1,795,388.81	$1,663,082.91
7						
8	$ 2,670,300.37	$ 2,670,300.37	$ 2,670,300.37	$ 2,670,300.37	$ 2,670,300.37	$ 2,670,300.37
9	$ 5,345,675.01	$ 5,059,346.16	$ 4,822,409.48	$ 4,626,790.55	$ 4,465,689.18	$ 4,333,383.28
10	50940	50940	50940	50940	50940	50940
11	**$ 104.94**	**$ 99.32**	**$ 94.67**	**$ 90.83**	**$ 87.67**	**$ 85.07**
12						
13	$ 4,075,200.00	$ 4,075,200.00	$ 4,075,200.00	$ 4,075,200.00	$ 4,075,200.00	$ 4,075,200.00
14	$ 1,404,899.63	$ 1,404,899.63	$ 1,404,899.63	$ 1,404,899.63	$ 1,404,899.63	$ 1,404,899.63
15	65.53%	65.53%	65.53%	65.53%	65.53%	65.53%
16	34.47%	34.47%	34.47%	34.47%	34.47%	34.47%
17	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%
18	13.11%	13.11%	13.11%	13.11%	13.11%	13.11%
19	15.35%	15.35%	15.35%	15.35%	15.35%	15.35%

WMATA-INV 016233

From: Robb LaKritz [robb@lakritzadler.com]
Sent: Tuesday, July 15, 2008 3:40:06 PM
To: Josh Adler
Subject: Read: CONFIDENTIAL: 1920 8th Street Offer REVISED

Your message

To: okarim@bannekerventures.com
Subject: CONFIDENTIAL: 1920 8th Street Offer REVISED
Sent: 7/15/2008 3:38 PM

was read on 7/15/2008 3:39 PM.

From: Jarvis, Ernest @ Washington DC <Ernest.Jarvis@cbre.com>
Sent: Tuesday, July 15, 2008 5:53 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: RE: 1920 8th Street NW

Josh,

I want to ensure you received the package that Dennis Perkins forwarded to you. Ernie

New contact information effective December 17, 2007
Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, June 10, 2008 5:53 PM
To: Jarvis, Ernest @ Washington DC
Subject: 1920 8th Street NW

Ernie,

Here is some information about 1920 8th St NW, (aka, 1916-1930 8th St NW). The floorplans attached yield about a 47,600 SF, five-story commercial building with about 22-24 parking spaces at grade at back of first floor. Total FAR is about 51,000 SF (4.5 FAR x 11,320 SF lot area, 65' height limit.) Zoning is C2B/Arts overlay. Any type of commercial or residential use is allowed.

I should note that the renderings have not been vetted with HPRB or pre-construction consultant, so we do not know if this design is economically or historically feasible, and so is subject to change. I'm not worried about the zoning or massing an height, however, since we have been advised by HPRB (and zoning counsel) that these are fine.

Let me know if I can provide more information – I can get you more detail on the ground lease structure when needed.

Thanks,

Josh Adler
202-882-0808
202-368-9669

From: Josh Adler <josh@lakritzadler.com>
Sent: Tuesday, July 15, 2008 5:56 PM
To: 'Jarvis, Ernest @ Washington DC' <Ernest.Jarvis@cbre.com>
Subject: RE: 1920 8th Street NW

I did receive it, and need to mark it up. Will you exclude the charter school we are negotiating with and the awardee of the WMATA parcel? If so, it makes it a lot easier for us to agree to list now, rather than waiting for these two negotiations to play out before listing.

From: Jarvis, Ernest @ Washington DC [mailto:Ernest.Jarvis@cbre.com]
Sent: Tuesday, July 15, 2008 5:53 PM
To: Josh Adler
Subject: RE: 1920 8th Street NW

Josh,

I want to ensure you received the package that Dennis Perkins forwarded to you. Ernie

New contact information effective December 17, 2007
Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, June 10, 2008 5:53 PM
To: Jarvis, Ernest @ Washington DC
Subject: 1920 8th Street NW

Ernie,

Here is some information about 1920 8th St NW, (aka, 1916-1930 8th St NW). The floorplans attached yield about a 47,600 SF, five-story commercial building with about 22-24 parking spaces at grade at back of first floor. Total FAR is about 51,000 SF (4.5 FAR x 11,320 SF lot area, 65' height limit.) Zoning is C2B/Arts overlay. Any type of commercial or residential use is allowed.

I should note that the renderings have not been vetted with HPRB or pre-construction consultant, so we do not know if this design is economically or historically feasible, and so is subject to change. I'm not worried about the zoning or massing an height, however, since we have been advised by HPRB (and zoning counsel) that these are fine.

Let me know if I can provide more information – I can get you more detail on the ground lease structure when needed.

Thanks,

Josh Adler
202-882-0808
202-368-9669

From: Jarvis, Ernest @ Washington DC <Ernest.Jarvis@cbre.com>
Sent: Tuesday, July 15, 2008 6:09 PM
To: Josh Adler <josh@lakritzadler.com>
Cc: Perkins, Dennis @ Washington <Dennis.Perkins@cbre.com>
Subject: RE: 1920 8th Street NW

Josh,

Yes, we would agree with those two "carve outs" or exclusions, provided that there is a reasonable time given for those deals to be completed. In other words, at the end of a 90 day period to complete those deals, commencing the date of listing agreement execution, CBRE would be entitled to receive a fee for those groups. Our aim is to hit the ground running and deploy resources to the project. We believe it's mutually beneficial to be rowing in the same direction. Ernie

New contact information effective December 17, 2007
Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, July 15, 2008 5:56 PM
To: Jarvis, Ernest @ Washington DC
Subject: RE: 1920 8th Street NW

I did receive it, and need to mark it up. Will you exclude the charter school we are negotiating with and the awardee of the WMATA parcel? If so, it makes it a lot easier for us to agree to list now, rather than waiting for these two negotiations to play out before listing.

From: Jarvis, Ernest @ Washington DC [mailto:Ernest.Jarvis@cbre.com]
Sent: Tuesday, July 15, 2008 5:53 PM
To: Josh Adler
Subject: RE: 1920 8th Street NW

Josh,

I want to ensure you received the package that Dennis Perkins forwarded to you. Ernie

New contact information effective December 17, 2007
Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, June 10, 2008 5:53 PM
To: Jarvis, Ernest @ Washington DC
Subject: 1920 8th Street NW

Ernie,

Here is some information about 1920 8th St NW, (aka, 1916-1930 8th St NW). The floorplans attached yield about a 47,600 SF, five-story commercial building with about 22-24 parking spaces at grade at back of first floor. Total FAR is about 51,000 SF (4.5 FAR x 11,320 SF lot area, 65' height limit.) Zoning is C2B/Arts overlay. Any type of commercial or residential use is allowed.

I should note that the renderings have not been vetted with HPRB or pre-construction consultant, so we do not know if this design is economically or historically feasible, and so is subject to change. I'm not worried about the zoning or massing an height, however, since we have been advised by HPRB (and zoning counsel) that these are fine.

Let me know if I can provide more information – I can get you more detail on the ground lease structure when needed.

Thanks,

Josh Adler
202-882-0808
202-368-9669

From: Josh Adler <josh@lakritzadler.com>
Sent: Tuesday, July 15, 2008 7:22 PM
To: 'robb@lakritzadler.com'
Subject: Meridian letter
Attach: Meridian Offer Letter 7-15-08.doc

For your review and comment.

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

LAKRITZ | ADLER
real estate development

July 15, 2008

Mr. Ron Ridker and Members of the Board
Board of Directors
Meridian Public Charter School
1328 Florida Avenue, NW
Washington, DC 20009

Re: Revised Proposal for Sale of 1920 8th Street, LLC

Dear Ron and Members of the Board:

We understand that Meridian has recently been denied its application for the Meyer Elementary School facility on 11th Street, and must now make a decision between renewing its lease at 1328 Florida Avenue or building and owning (or leasing) a new, custom school building at 1920 8th Street. We strongly encourage Meridian to take this unusual opportunity to own a new, custom facility at 1920 8th Street, as this is clearly in the best long-term interest of the school in terms of enrollment, programming and financial security, especially when compared to the alternative of continuing to lease in an aging, retrofitted facility with a high and rising rent.

In order to further incentivize Meridian to move forward with 1920 8th Street, we are offering to substantially cut our price to Meridian. In addition, we are open to assisting Meridian to develop its new facility in whatever way would best suit the school, whether this means managing the financing and/or construction process, forming a joint venture, or structuring the sale as a build-to suit lease with a purchase option.

With respect to assignment, we are willing to reduce the price for our subordinated ground lease and purchase option from $3.425 million (inclusive of deposit) to $2.4 million, **a 30% price reduction**. We request the courtesy of a prompt response to this offer, as we are now in discussions with the developer selected by WMATA to develop the adjacent parcel, and will have to make a decision about our direction for 1920 8th Street very soon.

We believe it is in the clear best interest of Meridian to build and operate a new school facility at 1920 8th Street. In fact, we cannot see any reason to stay at the 1328 Florida location, given that the new facility would cost less than continuing to rent, would build equity and a would secure a

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

long term future for the school in its desired location. The new facility would also be superior in appearance, functionality and location to the 1328 Florida site in every respect.

FINANCIAL BENEFITS OF 1920 8th STREET

- **The New 1920 8th Street Facility Will Cost Meridian LESS Each Year than Continuing to Rent 1328 Florida.** According to the financial model prepared by Staubach for Meridian, if it costs approximately $11 million total to build the new school, with 80% financed for 30 years at 5%, and based on the terms of our ground lease and purchase option with a $2.4 million assignment fee, it will cost Meridian $920,115 to own and operate its brand new 45,000 square foot facility at 1920 8th Street in the first year after completion. Compare this to a cost of $1,058,478 to rent and operate at 1328 Florida Avenue in the same year. In other words, Meridian will save almost $140,000 in just the first year of owning rather than renting. And the savings goes up every year thereafter.

- **By 2017, Meridian will be saving about $400,000 per year by owning compared to renting.** The further out we look, the greater the savings. In the first nine years alone, Meridian will have saved over $2 million in cash flow by owning rather than renting. That is $2 million Meridian will have in the bank for new programs and teachers, or just a rainy day, that it will not have if it continues to rent at 1328 Florida.

- **Additional Savings from Principal Payments versus Rent.** The annual savings above is only the savings on cash flow. It does not even consider the additional financial benefit that comes from paying down principal on a mortgage instead of throwing away money on rent each year, or the benefit of the appreciation on the new building Meridian will own. For example, by the end of nine years, Meridian will have paid down its mortgage by about $1.8 million. At the end of 30 years, the mortgage will be completely paid, payments will be zero, and **Meridian will then be saving over $2 million per year** compared to what its rent would be at that time (assuming rent increases at a steady 2.5% every year).

- **Real Estate Appreciation.** Consider also the benefit of appreciation. If Meridian's building goes up in value by 3% per year, and if the starting value of the finished building is $18 million ($400 per square foot), the school is creating an additional value of $540,000 in the first year of ownership, increasing every year thereafter. This creates a great financial cushion for the school in the future. In fact, by the end of 30 years, the school building would be worth over $43 million with a 3% annual appreciation rate, and Meridian will owe nothing on it, unless the school chooses to refinance the building at some point to take out more cash for operations or expansion. Of course, if the school continues to rent, it will not have any of this growing equity cushion in the event that it has capital needs or an emergency.

- **A Flexible Asset.** If Meridian owns its facility, it always has the option of renting a portion of the facility to other users, such as smaller charter schools or local businesses, non-profits, arts and professional groups. There is always a great demand for this kind of space in

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

downtown Washington, D.C. In an extreme situation, Meridian could even sell the facility and use its equity elsewhere. This would give Meridian protection against unexpected declines in enrollment – protection that does not exist if Meridian is renting in someone else's building. Of course, enrollment is much less likely to decline if Meridian owns an attractive, new custom-school facility in the heart of its chosen neighborhood, rather than a retrofitted space rented in an aging building from which it will eventually be evicted.

OPERATIONAL BENEFITS

It is indisputably a superior long-term financial choice for Meridian to own its new facility rather than continuing to rent. Indeed, the board would be neglecting the future of the school by continuing to subject it to rent increases and by denying Meridian a permanent home in its chosen neighborhood, especially given that Meridian – unlike most charter schools – actually has the financial resources and student base to afford a permanent home in the neighborhood, and has the opportunity to locate that home on one of the last undeveloped parcels near U Street. Otherwise, it is inevitable that Meridian will eventually be displaced to some remote corner of the city, and when that time comes, it will not have built the equity to afford that displacement.

But owning a new facility in this location is not only a better financial choice for the school, it is a better operating choice for the school.

- **A New Facility Will Attract More Students and Draw Stronger Enrollment**. As the charter school market grows more competitive, the schools with the most attractive and functional facilities will have the greatest draw for parents and students. Meridian's enrollment is much more likely to thrive in the future if it can show an exciting new facility to families trying to decide between many school options. Certainly, its current facility at 1328 Florida is decidedly inferior to the newly rehabbed or constructed facilities that more and more area schools now feature, such as E.L. Haynes. Teachers and administrators will find the new facility more desirable as well.

  If the Meridian is concerned about maintaining its enrollment and preserving Meridian's future as a leading public charter school, building an attractive custom facility is the best possible marketing investment. A new facility demonstrates quality and vision to prospective parents and students more than any other factor (it is hard to know the quality of teaching of a school, or the quality of the administration, teachers or student body, but it is very easy to see that a school has an outstanding physical plant.) The worst decision the board can make in this competitive environment is to allow enrollment and facilities to degrade through inertia, fear of change and lack of vision, especially when building a new facility is a smaller financial burden than continue to rent.

- **1920 8th Is A Better Location than 1328 Florida.** Just off the corner of 8th and Florida Avenues in the heart of Shaw, 1920 8th is two blocks from two different Metro stations, and is easily visible and accessible from the busy intersections of Georgia and Florida Avenues and 9th and U Streets. This location is desirable for many uses, and assures

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

future demand for space in the new building, in the event that Meridian decides to rent a portion of the building or sell it.

- **1920 8th is One of the Last Potential Sites in the U Street Neighborhood.** Meridian is in a unique position to build and own a custom facility on one of the last available vacant sites in the U Street area. If it continues to postpone its decision to secure a long-term future for itself in the neighborhood, there will simply be no place affordable left to go.

- **Financing and Building a New School is Not Difficult.** There are many public charter and private schools in D.C. that have successfully financed and built new facilities for themselves, including E.L. Haynes, which built a new 45,000 square foot school (in an inferior location to 1920 8th Street) with far less financial and student resources than are currently possessed by Meridian. Organizations such as Staubach, Building Hope, and our own company are ready and able to help manage the process. All sorts of non-profit organizations, many with far less resources available than Meridian, build and own new commercial buildings all the time. This is not an unusual situation.

- **Meridian has Less Financial Risk by Owning than by Renting.** Leaving aside that Meridian's enrollment is much more likely to decline if it stays in its current facility, rather than building an attractive new facility, and leaving aside that Meridian will eventually be squeezed out of the U Street neighborhood by rising rents if it does not take the initiative to build its own facility today, Meridian is still at greater financial risk by renting than by owning. If Meridian continues to rent at 1328 Florida and its enrollment declines or charter school finding is cut, the school would still be obliged to pay its rent in full – an annual amount much larger than the mortgage payments it would owe -- and Meridian would not be able to defray any of this long-term obligation by renting space that is does not need (both because the lease typically will not allow this, and because the 1328 Florida space is obviously not suitable for subdivision – who else would rent there, and where would they go? 1328 Florida is also in a residential zone, which could prohibit any commercial subletting) And as a renter, Meridian has no equity to draw on if it needs to raise money to relocate.

  On the other hand, if Meridian is occupying a new building it owns at 1920 8th Street, and if enrollment declines or charter school funding is cut, Meridian will be able to rent out surplus commercial space in the new building at a profit, because Meridian will be the owner of building built at a wholesale cost, and because the new building will be designed to be easily divided for sub-tenants, and is in a desirable, visible, commercially-zoned location. Even in a worst case scenario, if the school had to close, the mortgage would not have any greater obligation on the school than the lease – it would not be guaranteed personally by anyone, only by the operations of the school itself. And if the school shrinks so much that it might have to close, if it owns its building it has an asset it can sell for cash to start over. If it is renting, it is left with nothing.

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

In short, building and owning a new facility at 1920 8th Street is the best way for Meridian to assure a long-term, financially-secure future in its chosen neighborhood in an era of increasing competition for students. Continuing to rent at 1328 Florida is a greater strain on the Meridian budget, affords no opportunity to build equity, is less appealing to students and parents, and assures that Meridian will eventually be forced out of its chosen neighborhood into a remote corner of the city without any equity to rebuild.

REVISED LETTER OF INTENT

This non-binding Letter of Intent is an outline of the general terms and conditions to be more particularly described and detailed in a formal Purchase and Sale Agreement by and between **The Meridian Public Charter School** hereinafter referred to as **"Purchaser"** and the **1920 8th Street, LLC,** hereinafter referred to as **"Seller"** whereby Purchaser shall agree to buy and Seller shall agree to sell the entity and assets collectively known as 1920 8th Street, LLC, hereinafter referred to as the **"Property"**.

1. Seller:

The Seller of the Property is 1920 8th Street, LLC, a Delaware Limited Liability Company.

2. Purchaser:

The Purchaser of the Property is The Meridian Public Charter School.

3. Property Description:

The property is a Delaware Limited Liability Company known as 1920 8th Street, LLC, which holds a ground lease and purchase option ("Ground Lease") to an approximately 11,320 square foot vacant lot known as Square 393, Lot 46, also known as 1916-1930 8th Street, NW, Washington, DC, zoned C-2-B Arts Overlay.

The Ground Lease contains the following essential terms:

- Medal, Inc., as Landlord and 1920 8th Street, LLC, as Tenant.
- Commences August 3, 2007, with a one year base term and nine one-year renewal options
- Ground Rent of $225,000/year in the first year, $150,000/year for renewal terms 1-4, and $200,000/year for renewal terms 5-9.
- Purchase option exercisable at any time during base term and renewals. Exercise price of $4,800,000 in the base term, increasing by 1.5% in each of the first three renewal terms and then remaining fixed at $5,019,256.20 for the remainder of the renewal terms.
- $100,000 of ground rent, once paid, credited toward the purchase option in the base term and in each of the first two renewal terms, with 100% of ground rent paid following the second renewal term and in every renewal term thereafter credited toward the option

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

price. Therefore the purchase option balance due at the end of the last renewal term (that is, on August 3, 2017) shall be $3,419,256.20.

- A one time fee of $175,000 payable to Landlord for resubordination of Landlord's fee interest in land to Tenant's permanent financing lender (if such lender is different from Tenant's construction lender), to be paid upon the sooner of: 1) resubordination of Landlord fee interest to new lender following substantial completion of project, or 2) upon exercise of purchase option.
- Landlord is obliged under the ground lease to subordinate its unencumbered fee interest in the Property to Tenant's Lender, meaning that Tenant has full use of the land value of the Property as collateral to secure its construction financing and any other financing through the end of the final renewal term.

4. Purchase Price:

Two Million Four Hundred Thousand Dollars ($2,400,000)

5. Deposit:

Upon execution of a Purchase and Sale Agreement, Purchaser shall deposit 5% of the total Purchase Price to be held in escrow by a mutually agreeable bank in an interest bearing account ("Initial Deposit"). At the conclusion of the General Due Diligence Period (defined below), Purchaser shall increase the deposit by an additional 10% of the Purchase Price ("Second Deposit"), and the Initial Deposit shall be immediately released to Seller, nonrefundable except in the event of Seller Default, to reimburse Seller's carry cost during the contract period. Any and all deposit monies shall be credited against the Purchase Price at closing.

6. General Due Diligence Period:

Purchaser shall have a period of Sixty (60) days following the date of execution of the Purchase and Sale Agreement ("General Due Diligence Period") to perform its due diligence investigation of the Property. If, prior to the expiration of the Due Diligence Period, Purchaser determines in its sole discretion not to purchase the Property, then Purchaser shall have the right to terminate the Purchase Agreement, whereupon the Deposit shall be promptly returned to Purchaser, and Purchaser shall provide to Seller copies and assignment of all due diligence related reports obtained by or provided to Purchaser. No later than three (3) business days after the execution of the Purchase Agreement, Seller will provide to Purchaser (or make available for inspection by Buyer) copies of all materials in Seller's possession or under Seller's control with respect to the Property (including, without limitation, any and all documents; environmental studies and reports; title commitments, reports and/or policies; surveys; plans and specifications; architectural and engineering documents and data; and reports, permits, licenses, and zoning documents) (collectively, the "Due Diligence Materials").

7. Additional Conditions on Seller:

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

Prior to closing, Seller shall provide Purchaser with evidence of Seller's obtaining of Arts Overlay Combined Lot Development rights ("CLDs") for the Property in the amount required by Purchaser for its project, not to exceed 33,960 square feet of CLDs (the maximum CLDs which could be required by a 4.5 FAR, 50,940 square foot project on the Property), such requirements to be disclosed by Purchaser to Seller not more than 120 days following contract ratification.

8. Settlement:

The Purchase Price is based on settlement of the Property. Settlement shall occur not more than Sixty (60) days following removal of the Study Period, time of the essence with respect thereto. Any cost to Seller of delay of settlement by fault of the Purchaser shall be reimbursed concurrently by Purchaser to Seller, including any ground rent and other carry costs paid or incurred by Seller during the period between the original settlement date and the actual date of settlement.

9. Exclusivity:

In consideration of the execution of this Letter of Intent, Purchaser agrees that for the one hundred twenty (120) day period commencing on the date this Letter of Intent is signed by both parties, and thereafter during the term of the Purchase Agreement if the Purchase Agreement is executed, Purchaser shall not consider, solicit, negotiate or accept any other offer of any kind for the purchase of any property other than the Property.

10. Broker Commission:

The Staubach Company, NE, Inc. represents the Purchaser and shall be compensated subject to a separate agreement.

11. Confidentiality:

Unless and until Closing shall occur, Purchaser agrees to keep the existence of and terms and conditions of this Letter of Intent, and all Due Diligence Materials, confidential to themselves and their affiliates, and will not disclose the same except to their respective attorneys, accountants, lenders and prospective lenders, agents, consultants and advisors involved in the transaction and architects, engineers and other professionals or independent contractors who or which may be engaged to assist in or perform due diligence activities with respect to the Property. If the Purchase Agreement is not entered into or is terminated, Purchaser agrees to return a copy of all Due Diligence Materials to Seller. This Paragraph 11 shall survive any termination or expiration of this Letter of Intent.

This offer will be held open until close of business on August 1, 2008. If the terms of this Letter of Intent are satisfactory to Purchaser, we request that you execute the extra enclosed copy of this Letter of Intent in the appropriate space provided below and return a signed copy to us by

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

such date. Following execution of this Letter of Intent, Seller will immediately commence drafting of the Purchase Agreement for delivery to Purchaser within ten business days.

Sincerely,

Joshua Adler
Co-Managing Member

AGREED AND ACCEPTED:

The Meridian Public Charter School	**1920 8th Street, LLC**
By:_____	**By:**_____
Its:_____	**Its:**_____
Date:_____	**Date:**_____

Cc: Ellen Herman, Staubach

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, July 17, 2008 11:58 AM
To: 'robb@lakritzadler.com'
Subject: FW: 1920 8th Street NW

FYI re CBRE listing agreement.

From: Jarvis, Ernest @ Washington DC [mailto:Ernest.Jarvis@cbre.com]
Sent: Tuesday, July 15, 2008 6:09 PM
To: Josh Adler
Cc: Perkins, Dennis @ Washington
Subject: RE: 1920 8th Street NW

Josh,

Yes, we would agree with those two "carve outs" or exclusions, provided that there is a reasonable time given for those deals to be completed. In other words, at the end of a 90 day period to complete those deals, commencing the date of listing agreement execution, CBRE would be entitled to receive a fee for those groups. Our aim is to hit the ground running and deploy resources to the project. We believe it's mutually beneficial to be rowing in the same direction. Ernie

New contact information effective December 17, 2007
Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, July 15, 2008 5:56 PM
To: Jarvis, Ernest @ Washington DC
Subject: RE: 1920 8th Street NW

I did receive it, and need to mark it up. Will you exclude the charter school we are negotiating with and the awardee of the WMATA parcel? If so, it makes it a lot easier for us to agree to list now, rather than waiting for these two negotiations to play out before listing.

From: Jarvis, Ernest @ Washington DC [mailto:Ernest.Jarvis@cbre.com]
Sent: Tuesday, July 15, 2008 5:53 PM
To: Josh Adler
Subject: RE: 1920 8th Street NW

Josh,

I want to ensure you received the package that Dennis Perkins forwarded to you. Ernie

New contact information effective December 17, 2007
Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office

750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, June 10, 2008 5:53 PM
To: Jarvis, Ernest @ Washington DC
Subject: 1920 8th Street NW

Ernie,

Here is some information about 1920 8th St NW, (aka, 1916-1930 8th St NW). The floorplans attached yield about a 47,600 SF, five-story commercial building with about 22-24 parking spaces at grade at back of first floor. Total FAR is about 51,000 SF (4.5 FAR x 11,320 SF lot area, 65' height limit.) Zoning is C2B/Arts overlay. Any type of commercial or residential use is allowed.

I should note that the renderings have not been vetted with HPRB or pre-construction consultant, so we do not know if this design is economically or historically feasible, and so is subject to change. I'm not worried about the zoning or massing an height, however, since we have been advised by HPRB (and zoning counsel) that these are fine.

Let me know if I can provide more information – I can get you more detail on the ground lease structure when needed.

Thanks,

Josh Adler
202-882-0808
202-368-9669

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, July 17, 2008 11:58 AM
To: 'robb@lakritzadler.com'
Subject: FW: Listing Agreement for 1920 8th Street, NW
Attach: CBRE Listing Agreement - 1920 8th Street.DOC

Listing Agreement file.

From: Perkins, Dennis @ Washington [mailto:Dennis.Perkins@cbre.com]
Sent: Thursday, July 10, 2008 3:25 PM
To: josh@lakritzadler.com
Cc: Jarvis, Ernest @ Washington DC
Subject: Listing Agreement for 1920 8th Street, NW

Josh,

Attached please find our listing agreement for 1920 8th Street, NW. Once you have had a chance to review, please let us know if you have any questions. Otherwise we look forward to setting up a time for a project kickoff meeting.

Best,

Dennis Perkins | Vice President
CB Richard Ellis | Brokerage Services
750 9th Street, NW Suite 900 | Washington, DC 20001
T 202 585 5718 | F 202 783 1723
dennis.perkins@cbre.com | www.cbre.com

Please consider the environment before printing this email.

This email may contain information that is confidential or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

CBRE
CB RICHARD ELLIS
EXCLUSIVE LISTING AGREEMENT
CB RICHARD ELLIS, INC.
BROKERAGE AND MANAGEMENT
LICENSED REAL ESTATE BROKER

1. In consideration of the listing for lease of the real property hereinafter described (the "Property") by CB RICHARD ELLIS, INC. ("Broker") and Broker's agreement to use its best efforts to effect a lease or leases of same, the undersigned ("Owner") hereby grants to Broker the exclusive right to negotiate a lease or leases of the Property for a period commencing September 1, 2008, and ending midnight July 31, 2011 (the "Term"). The Property is situated in the City of Washington, D.C., is located at and is further described as the office building at 1920 8th Street, NW, Washington, D.C. References herein to the Property shall be understood to include portions of the Property.

2. Owner agrees to pay Broker a leasing commission equal to three percent (3%) of the aggregate gross lease value, if Broker's Listing Team of Ernest Jarvis and Dennis Perkins procures such lease or five percent (5%) of the aggregate gross lease value, if a cooperating broker, including other salespersons of Broker (except for the Listing Team) procures such lease. Such commission is due and payable to Broker fifty percent (50%) upon full execution and fifty percent (50%) upon the lease commencement date. This commission shall be earned for services rendered if, during the Term: (a) the Property is leased to a tenant procured by Broker, Owner or anyone else; (b) a tenant is procured, by Broker, Owner, or anyone else, who is ready, willing and able to lease the Property on the terms above stated, or on any other terms agreeable to Owner; (c) any contract for the lease of the Property is entered into by Owner; or (d) Owner removes the Property from the market. Broker is authorized to co-operate with and to share its commission with other licensed real estate brokers, regardless of whether said brokers represent prospective tenants or act as Broker's subagents.

3. Owner further agrees to pay Broker a commission in accordance with Paragraph 2, above, if, within one hundred twenty (120) calendar days after the expiration or termination of the Term the Property is leased to, or negotiations continue, resume or commence and thereafter continue leading to the execution of a lease with any person or entity (including his/her/its successors, assigns or affiliates) with whom Broker has negotiated (either directly or through another broker or agent) or to whom the Property has been submitted prior to the expiration or termination of the Term. Broker is authorized to continue negotiations with such persons or entities. Broker agrees to submit a list of such persons or entities to Owner not later than fifteen (15) calendar days following the expiration or termination of the Term, provided, however, that if a written offer has been submitted it shall not be necessary to include the offeror's name on the list.

4. OWNER FURTHER AGREES THAT (a) IF A SALE, EXCHANGE OR OPTION TO PURCHASE THE PROPERTY IS MADE DURING THE TERM TO ANYONE, OR (b) IF, WITHIN ONE HUNDRED TWENTY (120) CALENDAR DAYS AFTER THE EXPIRATION OR TERMINATION OF THE TERM, THE PROPERTY IS SOLD, EXCHANGED, OR AN OPTION TO PURCHASE IS GRANTED, OR NEGOTIATIONS CONTINUE, RESUME OR COMMENCE AND THEREAFTER CONTINUE LEADING TO A SALE, EXCHANGE OR GRANT OF AN OPTION TO ANY PERSON OR ENTITY AS DESCRIBED IN PARAGRAPH 3 ABOVE, OWNER SHALL PAY BROKER A SALES COMMISSION IN THE AMOUNT OF THREE PERCENT (3%) OF THE GROSS SALES PRICE, PAYABLE AT CLOSING.

5. Commissions shall be payable hereunder when earned or at lease execution, closing, closing of escrow, recordation of the deed, or possession by the purchaser or tenant.

6. If security, earnest money or similar deposits made by a prospective tenant or purchaser are forfeited, in addition to any other rights of Broker pursuant to this Agreement, Broker shall be entitled to one-half (1/2) thereof, but not to exceed the total amount of the anticipated commission.

7. To the extent permitted by applicable law, Broker is authorized to deduct its commissions from any deposits, payments or other funds, including proceeds of rental payments or sale, paid by a tenant or purchaser in connection with a transaction contemplated by this Agreement, and Owner hereby irrevocably assigns said funds and proceeds to Broker to the extent necessary to pay said commissions. Broker is authorized to provide a copy of this Agreement to any tenant or escrow or closing agent working on such transaction, and such escrow or closing agent, or tenant, is hereby instructed by Owner to pay Broker's commissions from any such funds or proceeds available. Owner shall remain liable for the entire amount of said commissions regardless of whether Broker exercises its rights under this paragraph.

8. Owner and Broker agree that the Property will be offered in compliance with all applicable federal, state and local anti discrimination laws and regulations.

9. Owner agrees to cooperate with Broker in effecting leases of the Property and immediately to refer to Broker all inquiries of anyone interested in the Property. All negotiations are to be through Broker. Broker is authorized to accept a deposit from any prospective tenant and to handle it in accordance with the instructions of the parties unless contrary to applicable law. Broker is exclusively authorized to advertise the Property and exclusively authorized to place a sign(s) on the Property if, in Broker's opinion, such would facilitate the leasing of the Property. Owner

represents that it is the owner of the Property. Owner and its counsel will be responsible for determining the legal sufficiency of a lease and any other documents relating to any transaction contemplated by this Agreement.

10. Broker shall assemble and produce for Owner's review and approval an offering brochure and/or other marketing materials of a type which is customary for similar properties. Owner shall provide the information in its possession, custody or control regarding the Property necessary for Broker to prepare a professional offering brochure. The cost of such offering brochure shall be borne by Owner. At Broker's option, Owner shall be responsible either (i) to make payment directly to the third party vendors involved in the preparation of the offering materials or (ii) to reimburse Broker for its costs and expenses incurred in the preparation of such materials.

11. Owner agrees to disclose to Broker and to prospective tenants or purchasers any and all information which Owner has regarding present and future zoning and environmental matters affecting the Property and the condition of the Property, including, but not limited to structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks in, on or about the Property. Broker is authorized to disclose any such information to prospective tenants or buyers.

12. Owner acknowledges that Broker is a national brokerage firm and that in some cases it may represent prospective tenants or purchasers. Owner desires that the Property be presented to such persons or entities, and consents to the dual representation created thereby. Broker shall not disclose the confidential information of one principal to the other.

13. In the event that the Property comes under the jurisdiction of a bankruptcy court, Owner shall immediately notify Broker of the same, and shall promptly take all steps necessary to obtain court approval of Broker's appointment, unless Broker shall elect to terminate this Agreement upon said notice.

14. In the event that the Property becomes the subject of foreclosure proceedings prior to the expiration of this Agreement, then this Agreement shall be deemed suspended until such time as the Owner may reacquire his interest in the Property within the Term. If this Agreement is suspended pursuant to this paragraph, Broker shall be free to enter into a listing agreement with any receiver, the party initiating the foreclosure, the party purchasing the Property at a foreclosure sale, or any other person having an interest in the Property.

15. In the event of any dispute between Owner and Broker relating to this Agreement, the Property or Owner or Broker's performance hereunder, Owner and Broker agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of Broker executing this Agreement is located. The arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses, including the costs of the arbitration proceeding, and reasonable attorneys' fees.

16. In the event that Owner lists Property with another broker after the expiration or termination of this Agreement, Owner agrees to provide in the subsequent listing agreement that a commission will not be payable to the new broker with respect to transactions for which Owner remains obligated to pay a commission to Broker under paragraphs 3 or 4 hereof. Owner's failure to do so, however, shall not affect Owner's obligations to Broker under paragraphs 3 or 4 hereof.

17. Each signator to this Agreement represents and warrants that (s)he has full authority to sign this Agreement on behalf of the party for whom (s)he signs and that this Agreement binds such party.

18. This Agreement constitutes the entire agreement between Owner and Broker and supersedes all prior discussions, negotiations and agreements, whether oral or written. No amendment, alteration, cancellation or withdrawal of this Agreement shall be valid or binding unless made in writing and signed by both Owner and Broker. This Agreement shall be binding upon, and shall benefit, the heirs, successors and assignees of the parties.

19. The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

The undersigned Owner hereby acknowledges receipt of a copy of this Agreement.

[Next Page Is Signature Page]

Accepted:

CB Richard Ellis, Inc. **Licensed Real Estate Broker**	_____ **Owner**
By:_____	By: _____
Jay B. Olshonsky	
Title: Managing Director	Title:
Address: 555 11th Street, NW, 3rd Floor Washington, DC 20004	Address:
Date:_____	Date:_____
Telephone: 202-783-8200	Telephone:

CONSULT YOUR ADVISORS - This document has legal consequences. No representation or recommendation is made by Broker as to the legal or tax consequences of this Agreement or the transaction(s) which it contemplates. These are questions for your attorney and financial advisors.

CONFIDENTIAL LA 471

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016263

From: josh@lakritzadler.com
Sent: Monday, July 21, 2008 3:48 PM
To: Robb Lakritz <robb@lakritzadler.com>
Subject: Fw: CONFIDENTIAL: 1920 8th Street Offer REVISED

Fyi. He must be getting anxious, since I told him I'd be away early this week and would get back to him late in the week.

Meridian is trying to schedule internal conference call on our proposal for wednesday.

From: "Omar A. Karim" <okarim@bannekerventures.com>
Date: Mon, 21 Jul 2008 14:37:11 -0400
To: 'Josh Adler'<josh@lakritzadler.com>
Subject: RE: CONFIDENTIAL: 1920 8th Street Offer REVISED

Josh,

Please advise where you all are with respect to our offer. As discussed, we could try to make the deal work by paying your firm a maximum of 1.5M for your option under the terms that we discussed.

Omar

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, July 15, 2008 3:39 PM
To: okarim@bannekerventures.com
Subject: CONFIDENTIAL: 1920 8th Street Offer REVISED

PERSONAL AND CONFIDENTIAL

Dear Omar:

Following up on our meeting last week, we have revised our proposal for the transfer of our ground lease and purchase option on 1920 8th Street to your organization for inclusion in your proposed project on the adjacent WMATA parcels.

As we discussed in the meeting, there would be a number of benefits to Banneker for including the 1920 8th Street parcel in your development project on the smaller adjacent WMATA parcels. These include:

1) Reduced site work and foundation engineering cost by avoiding placing the building load on the Metro tunnel beneath the WMATA parcel.

2) Much greater construction efficiency (lower average cost by reducing general conditions and other fixed costs per foot) and lower core factor (a higher ratio of net rentable to gross square footage) by building and operating a single 90,000 square foot rather than only a 38,000 square foot building on the site.

3) Higher final valuation factor as well as easier financing for the project by producing an institutional-grade building (approximately 100 units) rather than a non-institutional grade building (only about 40-units).

4) A savings of about nine months off your pre-construction approval time, because with the combined parcels it is possible to build a 90,000 square foot by-right project on the site, with no zoning relief, whereas you will definitely need to go through the nine-month BZA variance process to build anything close to a maximum density building on WMATA Parcel 2 by itself. A true by-right plan is also much easier to finance with lenders and investors compared to a plan that hinges on a successful entitlement process.

In addition, there are the benefits of our subordinated ground lease and purchase option structure. These include: 1) the below market carry cost of the ground lease payments over ten years, which credit toward the purchase option, resulting in a very favorable effective land cost under the ground lease compared to a fee simple purchase at market value today (especially after discounting for the time-value of money over that period); and 2) the Landlord's obligation to subordinate his fee interest in the land to the developer's construction and permanent financing, which means that the developer is effectively replacing third party investor cash equity -- the most expensive kind of money – with low-cost senior debt collateralized by the Landord's fee interest, greatly enhancing the share of profits that the developer keeps and greatly enhancing investor cash returns through a super-leveraging effect. This further amplifies the impact of the back-loading of the land purchase cost in net present value calculations.

In our meeting you stated that you would be willing to pay $80 per FAR-foot today for the 1920 8th Street parcel, which is a price of $4,075,200. As you can see from the attached Excel spreadsheet, if we assign a present value of $80 per FAR-foot to the land (although we have a bank-ordered appraisal valuing the land at over $120/FAR-foot), it is the equivalent paying a $2,670,300 for the ground lease in August 2008, paying the ground lease directly until the end of its final term, and then exercising the final option price of about $3.6 million in August 2017. In other words, owing to the discounting effect of paying most of the purchase price in nine years, rather than today, plus the benefit of getting to use the entire land value as equity for your project, even though you have not paid for the entire land value, paying $2.67 million now and $3.6 million in nine years is equivalent to paying the full $4,075,200 today. This does not even consider the valuation impacts to your project listed above.

Since you do not anticipate closing on the assignment until next year, we need to make some accommodation for the ongoing cost of the Ground Lease until you close, if we are going to tie up the land under your option.

Our thought on this would be to sell you a **$2.32 million** option on the ground lease (after applying advance payments) through August 3, 2009, by which time settlement on the ground lease assignment would have to occur. Your advance payments to the Ground Lease would credit to the assignment price at settlement. <u>This is a considerable reduction from our calculation of the actual market value of the Ground Lease, which is $3.5 million, based on a present value of $100 per FAR-foot.</u>

To summarize our proposal:

1) We ("Seller") would enter into an assignment contract with respect to the Ground Lease with you ("Purchaser")
2) Purchaser would make a nonrefundable one-time payment of $200,000 ("Assignment Option Fee") directly to 1920 8th Street LLC upon execution of the assignment contract (following a reasonable due diligence period for Purchaser's legal review of the Ground Lease and any investigation of the site)
3) Purchaser also would pay the next year of Ground Lease payments and property tax payments (approximately $200,000) into an escrow account, which would disburse the payments to the Landlord each month, as required by the Ground Lease.
4) Not later than August 3, 2009, Purchaser would settle on purchase of Ground Lease, by making an additional payment of $2.32 million to Seller, at which time all of Seller's rights and obligations with respect to Ground Lease would transfer to Purchaser. (Purchase Price is $2.67 million, less credit for $350,000 of the Assignment Option Fee and advance lease payments.)
5) If Purchaser failed to settle the purchase of Ground Lease by August 3, 2009, control of Ground Lease would revert to Seller, assignment contract would be null and void, and Seller would retain the $200,000 nonrefundable Assignment Option Fee.

We think this is a simple and fair structure to transfer control of the Ground Lease at <u>below</u> its fair market value, and it gives you plenty of time to conclude your settlement with WMATA with minimal risk and exposure. As you can see, we have greatly reduced the advance payment amount required to control the ground lease. Of course, it also has the substantial benefits to you of making it far less costly to build on WMATA Parcel 2 (you will probably recover most of the assignment cost on that basis alone), increasing the value and efficiency of your project, saving nine months off your approval time and bringing a substantial amount of land equity into the project financing.

We reserve the right to withdraw or modify this offer at any time in our sole discretion, and without further notice. Please hold confidential this e-mail, any attachments, and all related discussions.

Sincerely,

Joshua Adler
Co-Managing Member
1920 8th Street LLC

LAKRITZ | ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: robb@lakritzadler.com
Sent: Tuesday, July 22, 2008 4:43 PM
To: Mr. Josh Adler <josh@lakritzadler.com>
Subject: Delivered: Fw: CONFIDENTIAL: 1920 8th Street Offer REVISED
Attach: details.txt

Your message was delivered to the recipient.

From: Ruby Receptionists - Kayla <kayla@callruby.com>
Sent: Wednesday, July 23, 2008 3:41 PM
To: josh@lakritzadler.com
Subject: Omar Karim - Ruby Receptionists Message:

From: Omar Karim
Message: FYI: Hung up before I could take a message.
Actions: Please Call :
To: Adler, Josh - 5402 Lakritz - Adler 5402
Date: 7/23/2008 12:39:25 PM

From: Anne Corbett <Anne@culturaldc.org>
Sent: Friday, August 1, 2008 6:35 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: Source CLD sales agreement
Attach: (62022600)_(1)_Redline - Agreement of Purchase and Sale of Combined Lot Devl. Rights.DOC; (62018190)_(3)_Agreement of Purchase and Sale of Combined Lot Devl. Rights .DOC

Here you go...looks like a lot of mark up but I really think this is mostly semantics.
I am out all next week but lets talk mon, aug 11th.
Cheers,
anne

Anne L. Corbett
Executive Director | **Cultural Development Corporation**
Flashpoint | 916 G St, NW | WDC 20001
Source | 1835 14th St, NW | WDC 20009
202.315.1308 | 202.315.1303 fax | anne@culturaldc.org
culturaldc.org | flashpointdc.org | sourcedc.org

In the Gallery at Flashpoint
Michael Dax Iacovone: *The Numbers Behind*
July 12- August 23

From: Henry Liu [mailto:hliu@morganlewis.com]
Sent: Wednesday, July 30, 2008 3:14 PM
To: Anne Corbett
Cc: William C. Hoops
Subject: RE: Source CLD sales agreement

Anne:

Revised CLD Agreement which reflects our discussion from yesterday. Let me know if you have any questions.

Henry Liu
Morgan Lewis
1111 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Phone: 202-739-5697
Fax: 202-739-3001

IRS Circular 230 Disclosure

To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. For information about why we are required to include this legend in e-mails, please see http://www.morganlewis.com/circular230.
----- Forwarded by Henry Liu/WA/MLBLaw on 07/30/2008 03:10 PM -----

(See attached file: (62022600)_(1)_Redline - Agreement of Purchase and Sale of Combined Lot Devl. Rights.DOC) (See attached file: (62018190)_(3)_Agreement of Purchase and Sale of Combined Lot Devl. Rights.DOC)

DISCLAIMER
This e-mail message is intended only for the personal use of the recipient(s) named above. This message may be an attorney-client communication and as such privileged and confidential. If you are not an intended recipient, you may not review, copy or distribute this message. If you have received this communication in error, please notify us immediately by e-mail and delete the original message.

AGREEMENT OF PURCHASE AND SALE
OF COMBINED LOT DEVELOPMENT RIGHTS

THIS AGREEMENT OF PURCHASE AND SALE OF COMBINED LOT DEVELOPMENT RIGHTS (the "Agreement") is made and entered into this ___ day of June, 2008 (the "Effective Date") by and between THE CULTURAL DEVELOPMENT CORPORATION OF THE DISTRICT OF COLUMBIA, a District of Columbia not-for-profit corporation, its successors, affiliates and assigns ("Seller"), and 1920 8TH STREET LLC, a Delaware limited liability company, its successors, affiliates and assigns ("Purchaser").

RECITALS

A. Seller owns fee simple absolute title to Lots 33 and 34 in Square 238 in the District of Columbia, with premises address of 1835 14th Street, NW, and more fully described on the attached Exhibit A (the "Seller Property").

B. The District of Columbia Zoning Commission (the "Zoning Commission") has adopted certain combined lot development rules and regulations which permit the allocation of non-residential and residential gross floor area rights between properties. These rules and regulations include, without limitation, that portion of the District of Columbia Zoning Regulations (11 DCMR, Section 100 et seq., as amended) known as the Uptown Arts-Mixed Use (ARTS) Overlay District Regulations, 11 DCMR, Chapter 19, Section 1900 et seq., as amended (hereinafter referred to as the "ARTS Regulations").

C. Pursuant to Section 1905 of the ARTS Regulations, the Seller Property is entitled to allocate and transfer gross floor area as Combined Lot Development ("CLD") rights for the purpose of transferring bonus density to qualified properties within the ARTS Overlay District.

D. In accordance with the terms, conditions, and covenants set forth herein, Purchaser desires to acquire from Seller the entire amount of CLD rights generated by the Seller Property in order to increase the permitted density of development on property currently known as Lot 46 in Square 393 in the District of Columbia, with premises address of 1916-1930 8th Street, NW, and more fully described on the attached Exhibit B, or any successor record or tax lot, or such other lot or lots within the ARTS Overlay District designated by Purchaser in its sole discretion (the "Purchaser Property").

E. Purchaser and Seller desire to enter into a Combined Lot Development Covenant ("CLD Covenant") with the District of Columbia which CLD Covenant will enable Purchaser to use the CLD rights generated by the Seller Property on the Purchaser Property, which CLD Covenant shall be recorded in the land records of the District of Columbia in accordance with the terms and conditions set forth herein, in conjunction with the disbursement of the Purchase Consideration, as defined herein.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are a material part of this Agreement and not mere precatory language, mutual terms, conditions and covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

CONFIDENTIAL LA 479

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016276

1. Purchase and Sale of CLDs.

1.01. Commitment to Sell. Upon the terms and subject to the conditions set forth in this Agreement, Seller shall sell, convey, allocate, transfer, assign and deliver to Purchaser the entire amount of CLD rights generated by the theater use of the Seller Property (estimated at approximately 33,800 square feet of gross floor area)(hereinafter the "ARTS Overlay CLDs"), in accordance with all applicable governmental laws, rules, and regulations, and free and clear of all **known** liens, claims, mortgages or encumbrances.

1.02. Commitment to Purchase. Upon the terms and subject to the conditions set forth in this Agreement, Purchaser shall purchase the ARTS Overlay CLDs from the Seller and shall pay or deliver to Seller the Purchase Consideration (as set forth below).

1.03. Purchase Consideration. In consideration of the sale to Purchaser of the CLDs, Purchaser shall pay or deliver to Seller a sum in the amount of Seven Dollars Fifty Cents ($7.50) per square foot of CLDs transferred to the Purchaser Property (the "Purchase Consideration"). By way of example only, if the ARTS Overlay CLDs total 33,800 square feet, the Purchase Consideration will total $253,500.00. The Purchase Consideration shall be payable as follows:

(A) Five Thousand and No/100 Dollars ($5,000.00) delivered by Purchaser upon full execution of the letter agreement executed by Seller and Purchaser on April 1, 2008 to the Escrow Agent (as defined below) as the deposit (the "Deposit"), which Deposit shall be held by Escrow Agent pursuant to the terms of Section 1.04 below.

(B) The remainder of the Purchase Consideration, together with the Deposit, will be paid to Seller in cash, by certified cashier's check, or by wire transfer at Closing (as defined below) subject to the default provisions set forth herein.

(C) Purchaser shall have one hundred eighty (180) days from the [~~later of: (i) the~~]date of full execution of this Agreement[~~; or (ii) Seller's delivery~~] **(the "Feasibility Period") to study any issues whatsoever regarding this transaction including any issues related to the Seller Property; provided, however, that Purchaser shall have no right whatsoever to enter onto the Seller Property without the prior consent of Seller. Within ten (10) business days of the Effective Date, Seller shall deliver** to Purchaser **all** of the Due Diligence Materials [~~(collectively, all~~]**in Purchaser's possession (which may include** surveys, architectural and construction plans, property records and/or [~~any~~]other documents and materials [~~sufficient to allow~~]**that will assist** Purchaser [~~to confirm~~]**in confirming** the existence or future creation and amount of ARTS Overlay CLDs generated by the theater use of the Seller Property)[~~ (the "Feasibility Period") to study any issues whatsoever regarding this transaction including any issues related to the Seller Property; provided, however, that Purchaser shall have no right whatsoever to enter onto the Seller Property without the prior consent of Seller~~]. If Purchaser, in its sole discretion and for any reason whatsoever, terminates the Agreement at the end of the Feasibility Period by notice in writing or email to Seller and Escrow Agent delivered no later than 5:00 P.M. on the date of expiration of the Feasibility Period, Escrow Agent will promptly refund the Deposit to Purchaser, this Agreement will be terminated and neither party will have any further obligation to each other. **If Purchaser fails to give Seller a notice of termination prior to 5:00 p.m. on**

CONFIDENTIAL LA 480

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016277

the date of expiration of the Feasibility Period, Purchaser shall no longer have any right to terminate this Agreement under this Section 1.03(C) and the Deposit shall be non-refundable (except as otherwise provided herein).

(D) If the Closing has not occurred within eighteen (18) months of the Effective Date **(the "Closing Expiration Date")**, and no Event of Default pursuant to Section 5.01(B) below has occurred, [~~the Escrow Agent shall release the Deposit~~]**Seller shall have the right to terminate this Agreement within thirty (30) days following the Closing Expiration Date (the "Seller Termination Option") by notice in writing or e-mail to Seller and Escrow Agent, and Escrow Agent will upon receipt of such notice promptly refund the Deposit to Purchaser, this Agreement will be terminated and neither party will have any further obligation to each other .**

(E) If Seller does not exercise the Seller Termination Option, or the Seller Termination Option expires, this Agreement shall continue in full force and effect provided, however, that:

(i) the Deposit shall be forfeited to Seller, and Purchaser shall pay to Seller an additional Twenty Thousand and No/100 Dollars ($20,000.00) as an extension payment (the "Extension Payment")[~~. The~~]**, which** Extension Payment shall be non-refundable **and deemed earned by Seller** and shall be credited in full at the Closing as a portion of the Purchase Consideration[~~.~~]**;** [~~On~~]

(ii) on each anniversary of the Extension Payment, if any, Purchaser shall pay to Seller an additional Twenty Thousand and No/100 Dollars ($20,000.00) as a further extension payment (each such payment hereinafter the "Additional Extension Payment")[~~. Each~~]**, and each** such Additional Extension Payment shall be non-refundable and shall be credited in full at the Closing as a portion of the Purchase Consideration[~~.~~]**; and**

[~~(E) If the Closing has not occurred within eighteen (18) months of the Effective Date, and no Event of Default pursuant to Section 5.01(B) below has occurred,~~]**(iii)** the Purchase Consideration shall **also** increase by One-Half of One Percent (0.5 %) of the base Purchase Consideration on the first day of each month beginning with the nineteenth (19th) month following the Effective Date, and continuing until the Closing.

1.04. Deposit and Escrow.

(A) The Escrow. Upon execution of this Agreement, Purchaser shall deliver the Deposit to Regional Title Corp. (the "Escrow Agent") at its offices located at 1620 L Street, NW, Suite 1200, Washington, DC 20036. Escrow Agent shall hold the Deposit in accordance with this Agreement (the "Escrow"). Additionally, the Escrow Agent shall receive, endorse, and deposit any and all instruments and funds payable to the order of the Escrow Agent. The Escrow Agent shall act, with respect to payments, as a stakeholder only and shall not be liable for the payment of any interest or court costs in any action that may be brought to recover the monies held in escrow, or any part thereof, unless the Escrow Agent shall fail or refuse to pay

CONFIDENTIAL LA 481

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016278

over any such monies pursuant to a judgment order or decree that shall be final beyond possibility of appeal.

(B) Investment of the Deposit. The Escrow Agent shall invest the Deposit in a federally-insured, interest bearing account, or such other investments as Seller and Purchaser shall from time to time jointly approve or jointly direct in writing. Upon any such investment or reinvestment, such securities and all interest accruing thereon shall be included as part of the Deposit for all purposes of this Agreement and shall be credited against the Purchase Consideration payable at Closing.

(C) Disbursement.

(i) Joint Written Direction Order of Court. Notwithstanding other provisions of this Agreement to the contrary, upon receipt by the Escrow Agent of the joint written direction of Purchaser and Seller, or a certified copy of the final order, decree, or process of any court of competent jurisdiction final beyond appeal, the Escrow Agent shall disburse the Deposit in accordance with such direction or such final order. If the Escrow Agent is in doubt as to whether the time for appeal of any final order, decree, or process of any court has lapsed, the Escrow Agent may request and may rely upon a written opinion of counsel acceptable to the Escrow Agent.

(ii) Sworn Statements. The Escrow Agent shall make disbursements from the Deposit to or for the account of Seller or Purchaser, upon demand by the requesting party, following written notice (given in accordance with the provisions of this Agreement) of such requested disbursement to the non-requesting party and the passage of five (5) business days without the Escrow Agent's receipt of any written objection from the non-requesting party, on the following terms and conditions:

(a) Upon receipt by the Escrow Agent of a sworn statement signed by an authorized representative of Purchaser, stating that a specific condition (which condition shall be identified and particularly described) set forth in this Agreement has occurred or failed to occur, or that a default by Seller has occurred beyond any applicable cure periods, and that Purchaser is entitled to the entire proceeds of the Deposit in accordance with the terms and conditions of this Agreement;

(b) Upon receipt by the Escrow Agent of a sworn statement signed by Seller, or its authorized representatives, stating that a default has occurred by Purchaser failing to close under this Agreement and the lapse of any applicable cure period, thus entitling Seller to the entire proceeds of the Deposit;

(c) Upon receipt by the Escrow Agent of a letter signed by authorized representatives of the Purchaser and the Seller certifying that (i) all conditions precedent to the Closing are satisfied and (ii) Seller is entitled to receive the Deposit as a credit against the Purchase Consideration.

(D) General Rights and Responsibilities of the Escrow Agent.

CONFIDENTIAL LA 482

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016279

(i) Compensation. The customary and reasonable fees and expenses, if any actually incurred by the Escrow Agent for its services in such capacity hereunder, shall be borne equally by the Seller and Purchaser.

(ii) Duty of Care. The Escrow Agent shall not be obligated to inquire as to the manner of execution or validity of any document or instrument deposited pursuant to the provisions hereof, nor shall the Escrow Agent be obligated to inquire as to the identity, authority, or rights of the persons executing the same. The Escrow Agent shall be liable under this Agreement only for its failure to exercise due care in the performance of its duties expressly set forth in this Agreement. In case of conflicting demands upon it, the Escrow Agent may withhold performance hereunder until such time as those conflicting demands shall have been withdrawn or the rights of the respective parties shall have been settled by court adjudication, arbitration, consent order, or otherwise.

(iii) Indemnification. Purchaser and Seller shall indemnify the Escrow Agent and hold it harmless from and against all loss, damage, and expense the Escrow Agent may incur by reason of this Agreement, unless such loss, damage, or expense is attributable to the failure by the Escrow Agent to exercise due care in the performance of its obligations hereunder.

(iv) Resignation. The Escrow Agent may resign by giving at least thirty (30) days prior written notice to Purchaser and Seller at their respective addresses set forth herein. Within thirty (30) days after receiving such notice, Seller and Purchaser agree to appoint a successor escrow agent to which the Escrow Agent may distribute the property then held hereunder. If a successor escrow agent has not been appointed and has not accepted such appointment by the end of such thirty (30) day period, the Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor to act as Escrow Agent, and the costs, expenses, and reasonable attorneys' fees incurred by the Escrow Agent in connection with such proceeding shall be paid in equal shares by the Purchaser and the Seller. Purchaser and Seller may replace Escrow Agent at any time by joint written notice, whereupon Escrow Agent shall deliver the Deposit as instructed in such notice.

(E) Simultaneous Notices. Any notice or other document sent to the Escrow Agent by the Purchaser or Seller shall simultaneously be sent to the other party and no notice to the Escrow Agent shall be effective unless such duplicate copy is sent.

2. Closing.

2.01. Time and Place. The transactions contemplated herein shall be consummated at the closing (the "Closing") which shall take place at the offices of either Holland & Knight LLP, 2099 Pennsylvania Avenue, NW, Suite 100, Washington, DC 20006, or Escrow Agent (as may be designated by Purchaser) not later than the later of: (i) sixty (60) days after Purchaser has been issued final building permits from the District of Columbia Department of Consumer and Regulatory Affairs for its development project on the Purchaser Property; or (ii) receipt of the fully approved and executed CLD Covenant from the District of Columbia or at such earlier date and time as Purchaser may designate in its sole discretion.

CONFIDENTIAL LA 483

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016280

2.02. Closing Costs. Purchaser shall pay for the costs of title examination ordered by Purchaser, customary title company closing charges[~~ and notary fees. All other District of Columbia and local recordation and transfer taxes, if any, shall be paid one-half by Seller and one-half by Purchaser.~~]**, notary fees, and all costs associated with Purchaser's due diligence. Seller shall be responsible for the payment of any transfer taxes and Purchaser shall be responsible for the payment of any recordation taxes.** All other costs, including but not limited to attorney, architect, or other professional fees and costs, shall be borne by the respective party who engaged such professional.

2.03. Execution of CLD Covenant and CLD Certificate. At such time as Purchaser directs, Purchaser and Seller shall submit the CLD Covenant, substantially in the form attached hereto as Exhibit C, to the District of Columbia Office of Attorney General for determination of legal sufficiency. Upon receipt, approval and incorporation into the CLD Covenant of any comments received from the Office of Attorney General, Seller and Purchaser shall promptly execute the CLD Covenant and file such covenant for approval and execution by the District of Columbia Office of Planning, the District of Columbia Zoning Administrator, the District of Columbia Office of Attorney General and the Office of the Mayor of the District of Columbia.

2.04. Covenants and Conditions to Closing. The obligations of the parties hereto shall be subject to the satisfaction of the following conditions precedent to Closing:

(A) At Closing, **Purchaser and** Seller shall deliver to Escrow Agent the CLD Covenant fully executed by Seller, Purchaser and the District of Columbia, and Purchaser shall deliver the Purchase Consideration by cashier's check or wire transfer of available federal funds. Seller and Purchaser shall each execute and deliver to Escrow Agent such additional documents and instruments as may be reasonably necessary or customary to consummate the transaction described in this Agreement, including without limitation a standard form of owner's affidavit executed by Seller and a settlement statement prepared by Escrow Agent and approved by both Purchaser and Seller.

2.05. [~~The obligation of Purchaser to proceed to the Closing shall be conditioned on title to the ARTS Overlay CLDs being insurable as such by Escrow Agent as a development right running with the title of the Purchaser Property, and not subject to any lien, claim, mortgage or other encumbrance; and upon recordation of the CLD Covenant, the ARTS Overlay CLDs shall irrevocably and unconditionally vest in the Purchaser Property, and shall not be subject to divestment, restriction, or impairment on account of any circumstance or condition affecting Seller's Property.~~]The obligation of Purchaser to proceed to the Closing shall be conditioned further upon [~~Purchaser's~~]confirmation[~~, in a form acceptable to~~] **by** Purchaser [~~in its sole discretion~~]**and Seller**, that as of the Closing, the ARTS Overlay CLDs to be transferred to the Purchaser Property total at least 30,936 square feet.

2.06. Closing Procedures. Upon Escrow Agent's receipt of the Purchase Consideration in the amount shown on the settlement statement, Escrow Agent shall proceed to record the fully executed CLD Covenant in the Office of the Recorder of Deeds for the District of Columbia and shall disburse the Purchase Consideration to Seller.

CONFIDENTIAL LA 484

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016281

3. Representations and Warranties.

3.01. Purchaser's Representations and Warranties. Purchaser represents and warrants that the following are true and correct as of the date first written above, and will continue to be true and correct as of the Closing Date:

(A) Purchaser has the legal right and capacity to execute this Agreement and to perform in accordance with each of the terms, conditions and covenants set forth herein. This Agreement is a valid and binding obligation of Purchaser which is enforceable in accordance with its terms.

(B) The person(s) executing this Agreement on behalf of Purchaser has/have the authority to bind Purchaser to each of the terms, conditions and covenants set forth in this Agreement.

(C) There are no actions or proceedings pending, or to the best knowledge of Purchaser, threatened, which affect Purchaser's ability to perform each of the terms, conditions and covenants set forth in this Agreement. To the best of Purchaser's knowledge, Purchaser is not in default with respect to any order, injunction, decree or demand of any court or any governmental authority which relates to the Purchaser's ability to perform pursuant hereto.

3.02. Seller's Representations and Warranties. Seller represents and warrants that the following are true and correct as of the date first written above, and will continue to be true and correct as of the Closing Date:

(A) Seller has the legal right and capacity to execute this Agreement and to perform in accordance with each of the terms, conditions and covenants set forth herein. This Agreement is a valid and binding obligation of Seller which is enforceable in accordance with its terms.

(B) The person(s) executing this Agreement on behalf of Seller has/have the authority to bind the Seller to each of the terms, conditions and covenants set forth in this Agreement.

(C) There are no actions or proceedings pending, or to the best knowledge of Seller, threatened, which affect Seller, the Seller Property or Seller's ability to perform each of the terms, conditions and covenants set forth in this, Agreement. To the best of Seller's knowledge, Seller is not in default with respect to any order, injunction, decree or demand of any court or any governmental authority which affects the Seller's ability to perform pursuant hereto.

(D) The transactions contemplated by this Agreement will not result in any breach of, or constitute a default under, any instrument, contract or agreement to which Seller is a party or by which Seller may be bound or affected.

(E) Seller has good and marketable fee simple absolute title to the Seller Property[~~free and clear of restrictions or encumbrances which could adversely affect any transaction contemplated by this Agreement~~].

(F) Seller has not previously transferred, assigned or otherwise encumbered any gross floor area that relates to the Seller Property which transfer or assignment would adversely affect Seller's ability to transfer the ARTS Overlay CLDs.

(G[)~~Seller is not a party to any other agreement, of any kind or nature, which might affect the ARTS Overlay CLDs or the Seller's ability to transfer the ARTS Overlay CLDs to Purchaser.~~][~~(H]~~) To the best of Seller's knowledge and belief, the Seller Property is not in violation of any law, rule or regulation, including but not limited to laws, rules and regulations relating to construction, fire prevention, taxes and zoning which would impair the ability of Seller to transfer the ARTS Overlay CLDs.

([~~I~~]**H**) There is no bankruptcy, insolvency, rearrangement, or similar action or proceeding, whether voluntary or involuntary, pending or to the best of Seller's knowledge, threatened, which could affect the Seller's ability to perform any of its obligations hereunder in any material respect.[~~Except as set forth in this Section 3.02, Seller has made no other representations and warranties.~~]

([~~J~~]**I**) The Gross Floor Area (as that term is defined in the Zoning Regulations) of the finished improvements on the Seller Property is, or will be as of the Closing, not less than 7,734 square feet, all of which area is improved, occupied and maintained, or will be as of the Closing, as Legitimate Theater (as that term is defined in the Zoning Regulations) and that the improvements on the Seller Property were originally constructed prior to 1958.

4. Seller's Continuing Covenants.

4.01. Material Changes. Seller covenants that it will not take any action affecting the Seller Property which adversely affects the ARTS Overlay CLDs allocated and transferred pursuant to the terms set forth herein. Seller will promptly notify Purchaser, in writing, of each and every material change in fact, circumstance or condition of which it has knowledge which adversely affects any of the representations and warranties set forth herein.

5. Events of Default and Remedies.

5.01. Events of Default.

(A) By Purchaser. Each of the following shall constitute an event of default ("Event of Default") by Purchaser hereunder:

(i) if the Purchaser fails to post the Deposit as required herein pursuant to Section 1.04(A);

CONFIDENTIAL LA 486

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016283

(ii) if the Purchaser fails to pay the Purchase Consideration at Closing upon the Seller's satisfaction of each material term, condition, covenant, representation and warranty set forth herein which Seller is required to satisfy;

(iii) if the Purchaser becomes insolvent, fails to pay its debts as they become due, files a petition for relief, or for any composition, rearrangement, extension, reorganization or other relief under any bankruptcy law or under any other law for the relief of debtors now or hereafter existing, shall make a settlement with or general arrangement or assignment for the benefit of creditors, or if an order for relief pursuant to any federal or state bankruptcy or insolvency law shall be granted with respect to Purchaser.

(iv) if a representation or warranty of Purchaser under this Agreement is not correct in any material respect.

(v) if the Purchaser fails to comply with any of the material terms, conditions, or covenants applicable to Purchaser set forth in this Agreement.

(B) By Seller. Each of the following shall constitute an Event of Default by Seller hereunder

(i) if the Seller fails to comply with any of the material terms, conditions, or covenants applicable to Seller set forth in this Agreement which materially affects Seller's ability to allocate and transfer the ARTS Overlay CLDs to Purchaser;

(ii[) ~~if each of the conditions to the Closing set forth herein in Sections 2.04(A) and 2.05 is not fully satisfied, or waived in writing by Purchaser, prior to the Closing;~~][~~(iii~~]) if Seller becomes insolvent, fails to pay its debts as they become due, files a petition for relief, or for any composition, rearrangement, extension, reorganization or other relief under any bankruptcy law or under any other law for the relief of debtors now or hereafter existing, shall make a settlement with or general arrangement or assignment for the benefit of creditors, or if an order for relief pursuant to any federal or state bankruptcy or insolvency law shall be granted with respect to Seller;

(iv) if any representation or warranty of Seller under this Agreement is not correct in any material respect.

(C) Remedies Upon an Event of Default.

(i) Seller's Remedies. Upon the happening of any Event of Default by Purchaser, Seller shall have the right to terminate this Agreement and to receive the Deposit and any interest thereon as liquidated damages as its sole and exclusive remedy.

(ii) Purchaser's Remedies. Upon the happening of an Event of Default by Seller, Purchaser shall have the absolute right, at its option and election, to elect one of the following, as its sole remedy in lieu of any other remedy

(a) cancel this Agreement immediately by written notice to Seller, whereupon this Agreement shall be deemed to be terminated and Purchaser shall

have no further liability to Seller, and if the Deposit has been delivered as provided for herein, the Deposit with all interest thereon shall be promptly returned to Purchaser; or

(b) institute appropriate proceedings to specifically enforce Seller's obligation to allocate and transfer the ARTS Overlay CLDs to Purchaser in accordance with the terms set forth herein.

The above remedies and rights of Purchaser and Seller shall be exclusive and not cumulative. Purchaser shall have the absolute right to resort to any one of said remedies, to the exclusion of the others, in the event of any such Event of Default by Seller. Prior to declaring an Event of Default, Purchaser and Seller shall each provide written notice thereof to the other and shall provide the other with ten (10) business days to cure any such default.

6. General Provisions.

6.01. Notices. All notices, payments and other required communications ("Notices") to the parties shall be in writing, and shall be addressed respectively as follows

If to Seller: The Cultural Development Corporation of
the District of Columbia
916 G Street, NW
Washington, DC 20001
Attention: Anne Corbett

With copy to: **Morgan Lewis & Bockius LLP**
1111 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Attention: Henry Liu, Esq.

If to Purchaser: 1920 8th Street LLC
4326 8th Street, NW
Washington, DC 20011
Attention: Robb LaKritz

With a copy to: Holland & Knight LLP
2099 Pennsylvania Avenue, N.W.
Suite 100
Washington, DC 20006
Attention: Christopher H. Collins

All Notices shall be given (i) by personal delivery to the applicable party; or (ii) by registered or certified mail, return receipt requested; or (iii) by recognized national or regional overnight delivery service. All Notices shall be effective and shall be deemed delivered and received: (i) if by personal delivery or facsimile, on the date of delivery, if delivered during normal business hours; and, if not delivered during normal business hours, on the next business

CONFIDENTIAL LA 488

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016285

day following delivery; (ii) if solely by mail three business days after the date deposited into the U.S. Mail, registered or certified mail, return receipt requested, properly addressed and postage prepaid; and (iii) if by overnight delivery, on the day following delivery to such overnight courier. A party hereto may change its address by written notice to the other party.

6.02. Waiver. The failure of Seller or Purchaser to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a wavier of any provision of this Agreement or limit Seller's or Purchaser's right thereafter to enforce any provision or exercise any right.

6.03. Modification. No modification of this Agreement shall be valid unless made in writing and duly executed by authorized representatives of Purchaser and Seller.

6.04. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the District of Columbia.

6.05. Further Assurances. Each of the parties hereto agrees to take such actions and execute such additional instruments from time to time as may be reasonably necessary or convenient to implement and carry out the intent and purpose of this Agreement.

6.06. Entire Agreement; Successors and Assigns. This Agreement contains the entire understanding of the parties which supersedes all prior agreements and understandings between the parties relating to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the respective successors, affiliates and assigns of Seller and Purchaser. Neither this Agreement, nor the performance of any of the provisions contained herein, shall be assigned, subcontracted or delegated by Seller without the express prior written consent of Purchaser, which may not be unreasonably withheld, conditioned or delayed. Purchaser may assign its rights and delegate its obligations under this Agreement in its sole and absolute discretion, including but not limited to designation of the property(ies) comprising the Purchaser Property.

6.07. Disputes. If any dispute arises under, or relates to, this Agreement, the losing party hereby agrees to promptly reimburse the prevailing party for all fees, costs and expenses incurred by the prevailing party, including without limitation reasonable attorneys' fees, expert fees and collection costs, whether or not formal proceedings are instituted.

6.08. Exhibits. The following exhibits are attached hereto and made a part of this Agreement:

Exhibit A: Seller Property
Exhibit B: Purchaser Property
Exhibit C: Form of Combined Lot Development Covenant

6.09. Order of Priority. In the event of any conflict between this Agreement and any exhibit attached hereto, the terms of this Agreement shall be controlling.

6.10. Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect,

CONFIDENTIAL LA 489

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016286

such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.11. Counterparts. This Agreement may be executed in any number of counterparts all of which taken together shall constitute one and the same instrument and any of the parties or signatories hereto may execute this Agreement by signing any such counterpart.

6.12. Interpretation. Wherever the singular number is used herein, the same shall include the plural; the use of any gender shall include all genders. The headings set forth herein are provided solely for convenience and shall not be considered when interpreting the intention of the parties hereto.

6.13. Brokers. Seller warrants to Purchaser that it has not dealt with any real estate broker, agent, or finder in connection with this transaction. Purchaser warrants to Seller that it has not dealt with any real estate broker, agent or finder in connection with this transaction, and that no right or claim for brokerage commissions or other compensation has been created by its actions in connection herewith. Seller and Purchaser shall indemnify and hold each other harmless against all loss, liability or expense, including reasonable attorneys' fees and litigation costs, incurred by the other to the extent that one or the other is shown to be in breach of the foregoing warranties.

6.14. Savings Clause. Notwithstanding anything to the contrary contained in this Agreement, if the Closing has not occurred as of the day before the date that is twenty-one (21) years after the death of the last living lineal descendant of George H.W. Bush who was alive or in being on the Effective Date, then this Agreement shall terminate, the Deposit shall be returned to Purchaser and (unless either party was in default under this Agreement, in which event the non-defaulting party shall have the rights and remedies set forth in Section 5) neither party shall have any further rights or obligations hereunder.

{signatures on following page}

CONFIDENTIAL LA 490

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016287

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal as of the date first above written.

SELLER:

THE CULTURAL DEVELOPMENT CORPORATION
OF THE DISTRICT OF COLUMBIA,
a _____ corporation

By: _____
Name:
Title:

PURCHASER:

1920 8TH STREET, LLC,
a Delaware limited liability company

By: 1920 8TH STREET VENTURE, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

CONFIDENTIAL LA 491

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016288

CONSENT

The undersigned Escrow Agent has reviewed this Agreement and consents to the performance of each term and condition applicable to the Escrow Agent in accordance with the provisions set forth herein.

_____

By: _____
Name:
Title:

CONFIDENTIAL LA 492

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016289

EXHIBIT A

LEGAL DESCRIPTION OF SELLER PROPERTY

All that certain lot or parcel of land together with all improvements thereon located and being in the City of Washington in the District of Columbia, more particularly described as follows:

Lots numbered Thirty-Three (33) and Thirty-Four (34) in Square numbered Two Hundred Thirty-Eight (238).

DB1/[~~62018190.1~~]62018190.3

7/[~~29~~]30/08

EXHIBIT B

LEGAL DESCRIPTION OF PURCHASER PROPERTY

All that certain lot or parcel of land together with all improvements thereon located and being in the City of Washington in the District of Columbia, more particularly described as follows:

Lot numbered Forty-Six (46) in Square numbered Three Hundred Ninety-Three (393).

DB1/[~~62018190.1~~]62018190.3

7/[~~29~~]30/08

EXHIBIT C

FORM OF COMBINED LOT DEVELOPMENT COVENANT

[insert]

5328174_v2

DB1/[~~62018190.1~~]62018190.3

7/[~~29~~]30/08

AGREEMENT OF PURCHASE AND SALE
OF COMBINED LOT DEVELOPMENT RIGHTS

THIS AGREEMENT OF PURCHASE AND SALE OF COMBINED LOT DEVELOPMENT RIGHTS (the "Agreement") is made and entered into this ___ day of June, 2008 (the "Effective Date") by and between THE CULTURAL DEVELOPMENT CORPORATION OF THE DISTRICT OF COLUMBIA, a District of Columbia not-for-profit corporation, its successors, affiliates and assigns ("Seller"), and 1920 8TH STREET LLC, a Delaware limited liability company, its successors, affiliates and assigns ("Purchaser").

RECITALS

A. Seller owns fee simple absolute title to Lots 33 and 34 in Square 238 in the District of Columbia, with premises address of 1835 14th Street, NW, and more fully described on the attached Exhibit A (the "Seller Property").

B. The District of Columbia Zoning Commission (the "Zoning Commission") has adopted certain combined lot development rules and regulations which permit the allocation of non-residential and residential gross floor area rights between properties. These rules and regulations include, without limitation, that portion of the District of Columbia Zoning Regulations (11 DCMR, Section 100 et seq., as amended) known as the Uptown Arts-Mixed Use (ARTS) Overlay District Regulations, 11 DCMR, Chapter 19, Section 1900 et seq., as amended (hereinafter referred to as the "ARTS Regulations").

C. Pursuant to Section 1905 of the ARTS Regulations, the Seller Property is entitled to allocate and transfer gross floor area as Combined Lot Development ("CLD") rights for the purpose of transferring bonus density to qualified properties within the ARTS Overlay District.

D. In accordance with the terms, conditions, and covenants set forth herein, Purchaser desires to acquire from Seller the entire amount of CLD rights generated by the Seller Property in order to increase the permitted density of development on property currently known as Lot 46 in Square 393 in the District of Columbia, with premises address of 1916-1930 8th Street, NW, and more fully described on the attached Exhibit B, or any successor record or tax lot, or such other lot or lots within the ARTS Overlay District designated by Purchaser in its sole discretion (the "Purchaser Property").

E. Purchaser and Seller desire to enter into a Combined Lot Development Covenant ("CLD Covenant") with the District of Columbia which CLD Covenant will enable Purchaser to use the CLD rights generated by the Seller Property on the Purchaser Property, which CLD Covenant shall be recorded in the land records of the District of Columbia in accordance with the terms and conditions set forth herein, in conjunction with the disbursement of the Purchase Consideration, as defined herein.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are a material part of this Agreement and not mere precatory language, mutual terms, conditions and covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

CONFIDENTIAL LA 496

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016294

1. Purchase and Sale of CLDs.

1.01. Commitment to Sell. Upon the terms and subject to the conditions set forth in this Agreement, Seller shall sell, convey, allocate, transfer, assign and deliver to Purchaser the entire amount of CLD rights generated by the theater use of the Seller Property (estimated at approximately 33,800 square feet of gross floor area)(hereinafter the "ARTS Overlay CLDs"), in accordance with all applicable governmental laws, rules, and regulations, and free and clear of all known liens, claims, mortgages or encumbrances.

1.02. Commitment to Purchase. Upon the terms and subject to the conditions set forth in this Agreement, Purchaser shall purchase the ARTS Overlay CLDs from the Seller and shall pay or deliver to Seller the Purchase Consideration (as set forth below).

1.03. Purchase Consideration. In consideration of the sale to Purchaser of the CLDs, Purchaser shall pay or deliver to Seller a sum in the amount of Seven Dollars Fifty Cents ($7.50) per square foot of CLDs transferred to the Purchaser Property (the "Purchase Consideration"). By way of example only, if the ARTS Overlay CLDs total 33,800 square feet, the Purchase Consideration will total $253,500.00. The Purchase Consideration shall be payable as follows:

(A) Five Thousand and No/100 Dollars ($5,000.00) delivered by Purchaser upon full execution of the letter agreement executed by Seller and Purchaser on April 1, 2008 to the Escrow Agent (as defined below) as the deposit (the "Deposit"), which Deposit shall be held by Escrow Agent pursuant to the terms of Section 1.04 below.

(B) The remainder of the Purchase Consideration, together with the Deposit, will be paid to Seller in cash, by certified cashier's check, or by wire transfer at Closing (as defined below) subject to the default provisions set forth herein.

(C) Purchaser shall have one hundred eighty (180) days from the date of full execution of this Agreement (the "Feasibility Period") to study any issues whatsoever regarding this transaction including any issues related to the Seller Property; provided, however, that Purchaser shall have no right whatsoever to enter onto the Seller Property without the prior consent of Seller. Within ten (10) business days of the Effective Date, Seller shall deliver to Purchaser all of the Due Diligence Materials in Purchaser's possession (which may include surveys, architectural and construction plans, property records and/or other documents and materials that will assist Purchaser in confirming the existence or future creation and amount of ARTS Overlay CLDs generated by the theater use of the Seller Property). If Purchaser, in its sole discretion and for any reason whatsoever, terminates the Agreement at the end of the Feasibility Period by notice in writing or email to Seller and Escrow Agent delivered no later than 5:00 P.M. on the date of expiration of the Feasibility Period, Escrow Agent will promptly refund the Deposit to Purchaser, this Agreement will be terminated and neither party will have any further obligation to each other. If Purchaser fails to give Seller a notice of termination prior to 5:00 p.m. on the date of expiration of the Feasibility Period, Purchaser shall no longer have any right to terminate this Agreement under this Section 1.03(C) and the Deposit shall be non-refundable (except as otherwise provided herein).

CONFIDENTIAL LA 497

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016295

(D) If the Closing has not occurred within eighteen (18) months of the Effective Date (the "Closing Expiration Date"), and no Event of Default pursuant to Section 5.01(B) below has occurred, Seller shall have the right to terminate this Agreement within thirty (30) days following the Closing Expiration Date (the "Seller Termination Option") by notice in writing or e-mail to Seller and Escrow Agent, and Escrow Agent will upon receipt of such notice promptly refund the Deposit to Purchaser, this Agreement will be terminated and neither party will have any further obligation to each other .

(E) If Seller does not exercise the Seller Termination Option, or the Seller Termination Option expires, this Agreement shall continue in full force and effect provided, however, that:

(i) the Deposit shall be forfeited to Seller, and Purchaser shall pay to Seller an additional Twenty Thousand and No/100 Dollars ($20,000.00) as an extension payment (the "Extension Payment"), which Extension Payment shall be non-refundable and deemed earned by Seller and shall be credited in full at the Closing as a portion of the Purchase Consideration;

(ii) on each anniversary of the Extension Payment, if any, Purchaser shall pay to Seller an additional Twenty Thousand and No/100 Dollars ($20,000.00) as a further extension payment (each such payment hereinafter the "Additional Extension Payment"), and each such Additional Extension Payment shall be non-refundable and shall be credited in full at the Closing as a portion of the Purchase Consideration; and

(iii) the Purchase Consideration shall also increase by One-Half of One Percent (0.5 %) of the base Purchase Consideration on the first day of each month beginning with the nineteenth (19th) month following the Effective Date, and continuing until the Closing.

1.04. Deposit and Escrow.

(A) The Escrow. Upon execution of this Agreement, Purchaser shall deliver the Deposit to Regional Title Corp. (the "Escrow Agent") at its offices located at 1620 L Street, NW, Suite 1200, Washington, DC 20036. Escrow Agent shall hold the Deposit in accordance with this Agreement (the "Escrow"). Additionally, the Escrow Agent shall receive, endorse, and deposit any and all instruments and funds payable to the order of the Escrow Agent. The Escrow Agent shall act, with respect to payments, as a stakeholder only and shall not be liable for the payment of any interest or court costs in any action that may be brought to recover the monies held in escrow, or any part thereof, unless the Escrow Agent shall fail or refuse to pay over any such monies pursuant to a judgment order or decree that shall be final beyond possibility of appeal.

(B) Investment of the Deposit. The Escrow Agent shall invest the Deposit in a federally-insured, interest bearing account, or such other investments as Seller and Purchaser shall from time to time jointly approve or jointly direct in writing. Upon any such investment or reinvestment, such securities and all interest accruing thereon shall be included as

CONFIDENTIAL LA 498

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016296

part of the Deposit for all purposes of this Agreement and shall be credited against the Purchase Consideration payable at Closing.

(C) Disbursement.

(i) Joint Written Direction Order of Court. Notwithstanding other provisions of this Agreement to the contrary, upon receipt by the Escrow Agent of the joint written direction of Purchaser and Seller, or a certified copy of the final order, decree, or process of any court of competent jurisdiction final beyond appeal, the Escrow Agent shall disburse the Deposit in accordance with such direction or such final order. If the Escrow Agent is in doubt as to whether the time for appeal of any final order, decree, or process of any court has lapsed, the Escrow Agent may request and may rely upon a written opinion of counsel acceptable to the Escrow Agent.

(ii) Sworn Statements. The Escrow Agent shall make disbursements from the Deposit to or for the account of Seller or Purchaser, upon demand by the requesting party, following written notice (given in accordance with the provisions of this Agreement) of such requested disbursement to the non-requesting party and the passage of five (5) business days without the Escrow Agent's receipt of any written objection from the non-requesting party, on the following terms and conditions:

(a) Upon receipt by the Escrow Agent of a sworn statement signed by an authorized representative of Purchaser, stating that a specific condition (which condition shall be identified and particularly described) set forth in this Agreement has occurred or failed to occur, or that a default by Seller has occurred beyond any applicable cure periods, and that Purchaser is entitled to the entire proceeds of the Deposit in accordance with the terms and conditions of this Agreement;

(b) Upon receipt by the Escrow Agent of a sworn statement signed by Seller, or its authorized representatives, stating that a default has occurred by Purchaser failing to close under this Agreement and the lapse of any applicable cure period, thus entitling Seller to the entire proceeds of the Deposit;

(c) Upon receipt by the Escrow Agent of a letter signed by authorized representatives of the Purchaser and the Seller certifying that (i) all conditions precedent to the Closing are satisfied and (ii) Seller is entitled to receive the Deposit as a credit against the Purchase Consideration.

(D) General Rights and Responsibilities of the Escrow Agent.

(i) Compensation. The customary and reasonable fees and expenses, if any actually incurred by the Escrow Agent for its services in such capacity hereunder, shall be borne equally by the Seller and Purchaser.

(ii) Duty of Care. The Escrow Agent shall not be obligated to inquire as to the manner of execution or validity of any document or instrument deposited pursuant to the provisions hereof, nor shall the Escrow Agent be obligated to inquire as to the identity, authority, or rights of the persons executing the same. The Escrow Agent shall be liable

CONFIDENTIAL LA 499

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016297

under this Agreement only for its failure to exercise due care in the performance of its duties expressly set forth in this Agreement. In case of conflicting demands upon it, the Escrow Agent may withhold performance hereunder until such time as those conflicting demands shall have been withdrawn or the rights of the respective parties shall have been settled by court adjudication, arbitration, consent order, or otherwise.

(iii) Indemnification. Purchaser and Seller shall indemnify the Escrow Agent and hold it harmless from and against all loss, damage, and expense the Escrow Agent may incur by reason of this Agreement, unless such loss, damage, or expense is attributable to the failure by the Escrow Agent to exercise due care in the performance of its obligations hereunder.

(iv) Resignation. The Escrow Agent may resign by giving at least thirty (30) days prior written notice to Purchaser and Seller at their respective addresses set forth herein. Within thirty (30) days after receiving such notice, Seller and Purchaser agree to appoint a successor escrow agent to which the Escrow Agent may distribute the property then held hereunder. If a successor escrow agent has not been appointed and has not accepted such appointment by the end of such thirty (30) day period, the Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor to act as Escrow Agent, and the costs, expenses, and reasonable attorneys' fees incurred by the Escrow Agent in connection with such proceeding shall be paid in equal shares by the Purchaser and the Seller. Purchaser and Seller may replace Escrow Agent at any time by joint written notice, whereupon Escrow Agent shall deliver the Deposit as instructed in such notice.

(E) Simultaneous Notices. Any notice or other document sent to the Escrow Agent by the Purchaser or Seller shall simultaneously be sent to the other party and no notice to the Escrow Agent shall be effective unless such duplicate copy is sent.

2. Closing.

2.01. Time and Place. The transactions contemplated herein shall be consummated at the closing (the "Closing") which shall take place at the offices of either Holland & Knight LLP, 2099 Pennsylvania Avenue, NW, Suite 100, Washington, DC 20006, or Escrow Agent (as may be designated by Purchaser) not later than the later of: (i) sixty (60) days after Purchaser has been issued final building permits from the District of Columbia Department of Consumer and Regulatory Affairs for its development project on the Purchaser Property; or (ii) receipt of the fully approved and executed CLD Covenant from the District of Columbia or at such earlier date and time as Purchaser may designate in its sole discretion.

2.02. Closing Costs. Purchaser shall pay for the costs of title examination ordered by Purchaser, customary title company closing charges, notary fees, and all costs associated with Purchaser's due diligence. Seller shall be responsible for the payment of any transfer taxes and Purchaser shall be responsible for the payment of any recordation taxes. All other costs, including but not limited to attorney, architect, or other professional fees and costs, shall be borne by the respective party who engaged such professional.

CONFIDENTIAL LA 500

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016298

2.03. Execution of CLD Covenant and CLD Certificate. At such time as Purchaser directs, Purchaser and Seller shall submit the CLD Covenant, substantially in the form attached hereto as Exhibit C, to the District of Columbia Office of Attorney General for determination of legal sufficiency. Upon receipt, approval and incorporation into the CLD Covenant of any comments received from the Office of Attorney General, Seller and Purchaser shall promptly execute the CLD Covenant and file such covenant for approval and execution by the District of Columbia Office of Planning, the District of Columbia Zoning Administrator, the District of Columbia Office of Attorney General and the Office of the Mayor of the District of Columbia.

2.04. Covenants and Conditions to Closing. The obligations of the parties hereto shall be subject to the satisfaction of the following conditions precedent to Closing:

(A) At Closing, Purchaser and Seller shall deliver to Escrow Agent the CLD Covenant fully executed by Seller, Purchaser and the District of Columbia, and Purchaser shall deliver the Purchase Consideration by cashier's check or wire transfer of available federal funds. Seller and Purchaser shall each execute and deliver to Escrow Agent such additional documents and instruments as may be reasonably necessary or customary to consummate the transaction described in this Agreement, including without limitation a standard form of owner's affidavit executed by Seller and a settlement statement prepared by Escrow Agent and approved by both Purchaser and Seller.

2.05. The obligation of Purchaser to proceed to the Closing shall be conditioned further upon confirmation by Purchaser and Seller, that as of the Closing, the ARTS Overlay CLDs to be transferred to the Purchaser Property total at least 30,936 square feet.

2.06. Closing Procedures. Upon Escrow Agent's receipt of the Purchase Consideration in the amount shown on the settlement statement, Escrow Agent shall proceed to record the fully executed CLD Covenant in the Office of the Recorder of Deeds for the District of Columbia and shall disburse the Purchase Consideration to Seller.

3. Representations and Warranties.

3.01. Purchaser's Representations and Warranties. Purchaser represents and warrants that the following are true and correct as of the date first written above, and will continue to be true and correct as of the Closing Date:

(A) Purchaser has the legal right and capacity to execute this Agreement and to perform in accordance with each of the terms, conditions and covenants set forth herein. This Agreement is a valid and binding obligation of Purchaser which is enforceable in accordance with its terms.

(B) The person(s) executing this Agreement on behalf of Purchaser has/have the authority to bind Purchaser to each of the terms, conditions and covenants set forth in this Agreement.

(C) There are no actions or proceedings pending, or to the best knowledge of Purchaser, threatened, which affect Purchaser's ability to perform each of the

CONFIDENTIAL LA 501

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016299

terms, conditions and covenants set forth in this Agreement. To the best of Purchaser's knowledge, Purchaser is not in default with respect to any order, injunction, decree or demand of any court or any governmental authority which relates to the Purchaser's ability to perform pursuant hereto.

3.02. Seller's Representations and Warranties. Seller represents and warrants that the following are true and correct as of the date first written above, and will continue to be true and correct as of the Closing Date:

(A) Seller has the legal right and capacity to execute this Agreement and to perform in accordance with each of the terms, conditions and covenants set forth herein. This Agreement is a valid and binding obligation of Seller which is enforceable in accordance with its terms.

(B) The person(s) executing this Agreement on behalf of Seller has/have the authority to bind the Seller to each of the terms, conditions and covenants set forth in this Agreement.

(C) There are no actions or proceedings pending, or to the best knowledge of Seller, threatened, which affect Seller, the Seller Property or Seller's ability to perform each of the terms, conditions and covenants set forth in this, Agreement. To the best of Seller's knowledge, Seller is not in default with respect to any order, injunction, decree or demand of any court or any governmental authority which affects the Seller's ability to perform pursuant hereto.

(D) The transactions contemplated by this Agreement will not result in any breach of, or constitute a default under, any instrument, contract or agreement to which Seller is a party or by which Seller may be bound or affected.

(E) Seller has good and marketable fee simple absolute title to the Seller Property.

(F) Seller has not previously transferred, assigned or otherwise encumbered any gross floor area that relates to the Seller Property which transfer or assignment would adversely affect Seller's ability to transfer the ARTS Overlay CLDs.

(G) To the best of Seller's knowledge and belief, the Seller Property is not in violation of any law, rule or regulation, including but not limited to laws, rules and regulations relating to construction, fire prevention, taxes and zoning which would impair the ability of Seller to transfer the ARTS Overlay CLDs.

(H) There is no bankruptcy, insolvency, rearrangement, or similar action or proceeding, whether voluntary or involuntary, pending or to the best of Seller's knowledge, threatened, which could affect the Seller's ability to perform any of its obligations hereunder in any material respect.

(I) The Gross Floor Area (as that term is defined in the Zoning Regulations) of the finished improvements on the Seller Property is, or will be as of the Closing,

CONFIDENTIAL LA 502

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016300

not less than 7,734 square feet, all of which area is improved, occupied and maintained, or will be as of the Closing, as Legitimate Theater (as that term is defined in the Zoning Regulations) and that the improvements on the Seller Property were originally constructed prior to 1958.

4. Seller's Continuing Covenants.

4.01. Material Changes. Seller covenants that it will not take any action affecting the Seller Property which adversely affects the ARTS Overlay CLDs allocated and transferred pursuant to the terms set forth herein. Seller will promptly notify Purchaser, in writing, of each and every material change in fact, circumstance or condition of which it has knowledge which adversely affects any of the representations and warranties set forth herein.

5. Events of Default and Remedies.

5.01. Events of Default.

(A) By Purchaser. Each of the following shall constitute an event of default ("Event of Default") by Purchaser hereunder:

(i) if the Purchaser fails to post the Deposit as required herein pursuant to Section 1.04(A);

(ii) if the Purchaser fails to pay the Purchase Consideration at Closing upon the Seller's satisfaction of each material term, condition, covenant, representation and warranty set forth herein which Seller is required to satisfy;

(iii) if the Purchaser becomes insolvent, fails to pay its debts as they become due, files a petition for relief, or for any composition, rearrangement, extension, reorganization or other relief under any bankruptcy law or under any other law for the relief of debtors now or hereafter existing, shall make a settlement with or general arrangement or assignment for the benefit of creditors, or if an order for relief pursuant to any federal or state bankruptcy or insolvency law shall be granted with respect to Purchaser.

(iv) if a representation or warranty of Purchaser under this Agreement is not correct in any material respect.

(v) if the Purchaser fails to comply with any of the material terms, conditions, or covenants applicable to Purchaser set forth in this Agreement.

(B) By Seller. Each of the following shall constitute an Event of Default by Seller hereunder

(i) if the Seller fails to comply with any of the material terms, conditions, or covenants applicable to Seller set forth in this Agreement which materially affects Seller's ability to allocate and transfer the ARTS Overlay CLDs to Purchaser;

(ii) if Seller becomes insolvent, fails to pay its debts as they become due, files a petition for relief, or for any composition, rearrangement, extension,

CONFIDENTIAL LA 503

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016301

reorganization or other relief under any bankruptcy law or under any other law for the relief of debtors now or hereafter existing, shall make a settlement with or general arrangement or assignment for the benefit of creditors, or if an order for relief pursuant to any federal or state bankruptcy or insolvency law shall be granted with respect to Seller;

(iv) if any representation or warranty of Seller under this Agreement is not correct in any material respect.

(C) Remedies Upon an Event of Default.

(i) Seller's Remedies. Upon the happening of any Event of Default by Purchaser, Seller shall have the right to terminate this Agreement and to receive the Deposit and any interest thereon as liquidated damages as its sole and exclusive remedy.

(ii) Purchaser's Remedies. Upon the happening of an Event of Default by Seller, Purchaser shall have the absolute right, at its option and election, to elect one of the following, as its sole remedy in lieu of any other remedy

(a) cancel this Agreement immediately by written notice to Seller, whereupon this Agreement shall be deemed to be terminated and Purchaser shall have no further liability to Seller, and if the Deposit has been delivered as provided for herein, the Deposit with all interest thereon shall be promptly returned to Purchaser; or

(b) institute appropriate proceedings to specifically enforce Seller's obligation to allocate and transfer the ARTS Overlay CLDs to Purchaser in accordance with the terms set forth herein.

The above remedies and rights of Purchaser and Seller shall be exclusive and not cumulative. Purchaser shall have the absolute right to resort to any one of said remedies, to the exclusion of the others, in the event of any such Event of Default by Seller. Prior to declaring an Event of Default, Purchaser and Seller shall each provide written notice thereof to the other and shall provide the other with ten (10) business days to cure any such default.

6. General Provisions.

6.01. Notices. All notices, payments and other required communications ("Notices") to the parties shall be in writing, and shall be addressed respectively as follows

If to Seller: The Cultural Development Corporation of
the District of Columbia
916 G Street, NW
Washington, DC 20001
Attention: Anne Corbett

With copy to: Morgan Lewis & Bockius LLP
1111 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Attention: Henry Liu, Esq.

CONFIDENTIAL LA 504

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016302

If to Purchaser: 1920 8th Street LLC
4326 8th Street, NW
Washington, DC 20011
Attention: Robb LaKritz

With a copy to: Holland & Knight LLP
2099 Pennsylvania Avenue, N.W.
Suite 100
Washington, DC 20006
Attention: Christopher H. Collins

All Notices shall be given (i) by personal delivery to the applicable party; or (ii) by registered or certified mail, return receipt requested; or (iii) by recognized national or regional overnight delivery service. All Notices shall be effective and shall be deemed delivered and received: (i) if by personal delivery or facsimile, on the date of delivery, if delivered during normal business hours; and, if not delivered during normal business hours, on the next business day following delivery; (ii) if solely by mail three business days after the date deposited into the U.S. Mail, registered or certified mail, return receipt requested, properly addressed and postage prepaid; and (iii) if by overnight delivery, on the day following delivery to such overnight courier. A party hereto may change its address by written notice to the other party.

6.02. Waiver. The failure of Seller or Purchaser to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a wavier of any provision of this Agreement or limit Seller's or Purchaser's right thereafter to enforce any provision or exercise any right.

6.03. Modification. No modification of this Agreement shall be valid unless made in writing and duly executed by authorized representatives of Purchaser and Seller.

6.04. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the District of Columbia.

6.05. Further Assurances. Each of the parties hereto agrees to take such actions and execute such additional instruments from time to time as may be reasonably necessary or convenient to implement and carry out the intent and purpose of this Agreement.

6.06. Entire Agreement; Successors and Assigns. This Agreement contains the entire understanding of the parties which supersedes all prior agreements and understandings between the parties relating to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the respective successors, affiliates and assigns of Seller and Purchaser. Neither this Agreement, nor the performance of any of the provisions contained herein, shall be assigned, subcontracted or delegated by Seller without the express prior written consent of Purchaser, which may not be unreasonably withheld, conditioned or delayed. Purchaser may assign its rights and delegate its obligations under this Agreement in its sole and

CONFIDENTIAL LA 505

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016303

absolute discretion, including but not limited to designation of the property(ies) comprising the Purchaser Property.

6.07. Disputes. If any dispute arises under, or relates to, this Agreement, the losing party hereby agrees to promptly reimburse the prevailing party for all fees, costs and expenses incurred by the prevailing party, including without limitation reasonable attorneys' fees, expert fees and collection costs, whether or not formal proceedings are instituted.

6.08. Exhibits. The following exhibits are attached hereto and made a part of this Agreement:

Exhibit A: Seller Property
Exhibit B: Purchaser Property
Exhibit C: Form of Combined Lot Development Covenant

6.09. Order of Priority. In the event of any conflict between this Agreement and any exhibit attached hereto, the terms of this Agreement shall be controlling.

6.10. Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.11. Counterparts. This Agreement may be executed in any number of counterparts all of which taken together shall constitute one and the same instrument and any of the parties or signatories hereto may execute this Agreement by signing any such counterpart.

6.12. Interpretation. Wherever the singular number is used herein, the same shall include the plural; the use of any gender shall include all genders. The headings set forth herein are provided solely for convenience and shall not be considered when interpreting the intention of the parties hereto.

6.13. Brokers. Seller warrants to Purchaser that it has not dealt with any real estate broker, agent, or finder in connection with this transaction. Purchaser warrants to Seller that it has not dealt with any real estate broker, agent or finder in connection with this transaction, and that no right or claim for brokerage commissions or other compensation has been created by its actions in connection herewith. Seller and Purchaser shall indemnify and hold each other harmless against all loss, liability or expense, including reasonable attorneys' fees and litigation costs, incurred by the other to the extent that one or the other is shown to be in breach of the foregoing warranties.

6.14. Savings Clause. Notwithstanding anything to the contrary contained in this Agreement, if the Closing has not occurred as of the day before the date that is twenty-one (21) years after the death of the last living lineal descendant of George H.W. Bush who was alive or in being on the Effective Date, then this Agreement shall terminate, the Deposit shall be returned to Purchaser and (unless either party was in default under this Agreement, in which event the

CONFIDENTIAL LA 506

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016304

non-defaulting party shall have the rights and remedies set forth in Section 5) neither party shall have any further rights or obligations hereunder.

{signatures on following page}.

Formatted: Centered

CONFIDENTIAL LA 507

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016305

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal as of the date first above written.

SELLER:

THE CULTURAL DEVELOPMENT CORPORATION
OF THE DISTRICT OF COLUMBIA,
a _____ corporation

By: _____
Name:
Title:

PURCHASER:

1920 8TH STREET, LLC,
a Delaware limited liability company

By: 1920 8TH STREET VENTURE, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

CONFIDENTIAL

LA 508

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016306

CONSENT

The undersigned Escrow Agent has reviewed this Agreement and consents to the performance of each term and condition applicable to the Escrow Agent in accordance with the provisions set forth herein.

_____

By: _____
Name:
Title:

CONFIDENTIAL

LA 509

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016307

EXHIBIT A

LEGAL DESCRIPTION OF SELLER PROPERTY

All that certain lot or parcel of land together with all improvements thereon located and being in the City of Washington in the District of Columbia, more particularly described as follows:

Lots numbered Thirty-Three (33) and Thirty-Four (34) in Square numbered Two Hundred Thirty-Eight (238).

DB1/62018190.3

7/30/08

EXHIBIT B

LEGAL DESCRIPTION OF PURCHASER PROPERTY

All that certain lot or parcel of land together with all improvements thereon located and being in the City of Washington in the District of Columbia, more particularly described as follows:

Lot numbered Forty-Six (46) in Square numbered Three Hundred Ninety-Three (393).

DB1/62018190.3

7/30/08

EXHIBIT C

FORM OF COMBINED LOT DEVELOPMENT COVENANT

[insert]

5328174_v2

DB1/62018190.3

7/30/08

From: Josh Adler <josh@lakritzadler.com>
Sent: Tuesday, August 5, 2008 1:55 PM
To: 'robb@lakritzadler.com'
Subject: reminder

Call our friend.

Ask about DPW plans for Meyer School, see if perhaps we could provide same facilities to DPW in a project at 1920 8th, so that Meridian could move into Meyer School. (Re Wash Post editorial yesterday).

Also, ask about situation with Meridian and Grimke School. This is time sensitive.

Thanks.

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Tuesday, August 5, 2008 5:30 PM
To: 'Brad Voight - LA' <brad@lakritzadler.com>
Subject: 1920 8th cash flow export
Attach: 1920 8th Argus 10-year Annual Cash Flow Export 8-05-08.xls; 1920 8th 10 yr pro forma and cash flow export 8-5-08.doc

---

Brad,

Here is the excel monthly cash flow and word file pro forma and cash flow export for 1920 8th as if developed on it's own and held for 10 yrs. The problem here is the 10 yr holding period gives us a low IRR, but a high equity multiple. I did this to make the analysis over top of the funky ground lease easy to do. It would be better for IRR to show sale at stabilization, but then we have the question of how to value the ground lease.

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G	H	I	J	K	L	M
1		**Heading**	**Category**	**Total**	**7-Sep**	**7-Oct**	**7-Nov**	**7-Dec**	**8-Jan**	**8-Feb**	**8-Mar**	**8-Apr**	**8-May**
2						**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
3	**Revenue**												
4		R Flow - Office Space	7	7,212,974	0	0	0	0	0	0	0	0	0
5		R Flow - Tuck-under Parking	7	352,945	0	0	0	0	0	0	0	0	0
6		R Flow - Retail Space	7	2,113,484	0	0	0	0	0	0	0	0	0
7		Cap - Office Space	4	21,143,164	0	0	0	0	0	0	0	0	0
8		Cap - Tuck-under Parking	4	958,133	0	0	0	0	0	0	0	0	0
9		Cap - Retail Space	4	5,737,434	0	0	0	0	0	0	0	0	0
10	**Total for Revenue**			**37,518,132**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
11	**Disposal Costs**												
12		Purchaser's Costs	8	0	0	0	0	0	0	0	0	0	0
13		Sales Agent Fee	9	-835,162	0	0	0	0	0	0	0	0	0
14	**Total for Disposal Costs**			**-835,162**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
15	**Acquisition Costs**												
16		8th Street Land Option (Year 10)	86	-3,420,000	0	0	0	0	0	0	0	0	0
17		8th St 1st Year Ground Lease	86	-325,000	0	-250,000	-6,250	-6,250	-6,250	-6,250	-6,250	-6,250	-6,250
18		8th St Ground Lease Renewal 1-4	86	-600,000	0	0	0	0	0	0	0	0	0
19		8th St Ground Lease Renewal 5-9	86	-1,000,020	0	0	0	0	0	0	0	0	0
20		Arts Credits (assume no bonus)	86	-250,000	0	0	0	0	0	0	0	0	0
21		8th St Combination Fee	86	-30,000	0	0	0	0	0	0	0	-30,000	0
22		8th Street Resubordination Fee	86	-175,000	0	0	0	0	0	0	0	0	0
23		8th Street RE Tax pre-construction	86	-203,500	0	-25,438	0	0	0	0	0	-25,438	0
24		Third Party Reports	20	-50,000	0	0	0	0	0	0	0	0	0
25		Title Insurance	21	-27,975	0	-1,250	-31	-31	-31	-31	-31	-31	-31
26	**Total for Acquisition Costs**			**-6,081,495**	**0**	**-276,688**	**-6,281**	**-6,281**	**-6,281**	**-6,281**	**-6,281**	**-61,719**	**-6,281**
27	**Construction Costs**												
28		Metro Site Work	28	-250,000	0	0	0	0	0	0	0	0	0
29		Con. - Office Space	24	-5,837,924	0	0	0	0	0	0	0	0	0
30		Con. - Tuck-under Parking	24	-320,843	0	0	0	0	0	0	0	0	0
31		Con. - Retail Space	24	-1,180,619	0	0	0	0	0	0	0	0	0
32		Insurance	79	-36,697	0	0	0	0	0	0	0	0	0
33		RE Tax during Construction	84	-60,000	0	0	0	0	0	0	0	0	0
34		Contingency	25	-733,939	0	0	0	0	0	0	0	0	0
35		Permits	29	-50,000	0	0	0	0	0	0	0	0	0
36		Permits	29	-110,091	0	0	0	0	0	0	0	0	0
37	**Total for Construction Costs**			**-8,580,112**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
38	**TI Costs**												
39		TI Cost Area Rate - Office Space	96	-2,454,071	0	0	0	0	0	0	0	0	0
40		TI Cost Area Rate - Retail Space	96	-535,415	0	0	0	0	0	0	0	0	0
41	**Total for TI Costs**			**-2,989,487**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
42	**Professional Fees**												
43		Architect + Engineer	32	-450,000	0	0	0	0	0	0	0	-28,125	-28,125
44		Legal	37	-110,091	0	0	0	0	0	0	0	-4,587	-4,587
45		Soft Cost Contingency	38	-80,688	0	-281	-281	-281	-281	-281	-281	-281	-281
46	**Total for Professional Fees**			**-640,779**	**0**	**-281**	**-281**	**-281**	**-281**	**-281**	**-281**	**-32,993**	**-32,993**
47	**Marketing/Leasing**												
48		Marketing	40	-50,000	0	0	0	0	0	0	0	0	0
49		Leasing Cost	41	0	0	0	0	0	0	0	0	0	0
50		Leasing Legal Fees	42	-29,266	0	0	0	0	0	0	0	0	0

WMATA-INV 016316

FOIA CONFIDENTIAL TREATMENT REQUESTED

	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC
1	**8-Jun**	**8-Jul**	**8-Aug**	**8-Sep**	**8-Oct**	**8-Nov**	**8-Dec**	**9-Jan**	**9-Feb**	**9-Mar**	**9-Apr**	**9-May**	**9-Jun**	**9-Jul**	**9-Aug**	**9-Sep**
2	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**
3																
4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
11																
12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
15																
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	-6,250	-6,250	-6,250	-6,250	-6,250	0	0	0	0	0	0	0	0	0	0	0
18	0	0	0	0	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500
19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	-25,438	0	0	0	0	0	-25,438	0	0	0	0	0
24	0	0	0	0	-50,000	0	0	0	0	0	0	0	0	0	0	0
25	-31	-31	-31	-31	-94	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62
26	**-6,281**	**-6,281**	**-6,281**	**-6,281**	**-94,281**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-38,000**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**
27																
28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
38																
39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
42																
43	-28,125	-28,125	-28,125	-28,125	-28,125	-28,125	-28,125	-28,125	-28,125	-28,125	-28,125	-28,125	-28,125	-28,125	0	0
44	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587
45	-281	-281	-281	-281	-2,526	-281	-281	-281	-2,880	-2,880	-2,880	-2,880	-2,880	-2,880	-2,880	-2,880
46	**-32,993**	**-32,993**	**-32,993**	**-32,993**	**-35,238**	**-32,993**	**-32,993**	**-32,993**	**-35,592**	**-35,592**	**-35,592**	**-35,592**	**-35,592**	**-35,592**	**-7,467**	**-7,467**
47																
48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

FOIA CONFIDENTIAL TREATMENT REQUESTED

	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS
1	**9-Oct**	**9-Nov**	**9-Dec**	**10-Jan**	**10-Feb**	**10-Mar**	**10-Apr**	**10-May**	**10-Jun**	**10-Jul**	**10-Aug**	**10-Sep**	**10-Oct**	**10-Nov**	**10-Dec**	**11-Jan**
2	**25**	**26**	**27**	**28**	**29**	**30**	**31**	**32**	**33**	**34**	**35**	**36**	**37**	**38**	**39**	**40**
3																
4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
11																
12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
15																
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500
19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	0	0	0	0	0	0	-250,000	0	0	0	0	0	0	0	0	0
21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	-25,438	0	0	0	0	0	-25,438	0	0	0	0	0	-25,438	0	0	0
24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	-62	-62	-62	-62	-62	-62	-1,312	-62	-62	-62	-62	-62	-62	-62	-62	-62
26	**-38,000**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-289,250**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-38,000**	**-12,562**	**-12,562**	**-12,562**
27																
28	0	0	0	0	0	0	-250,000	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	-124,418	-294,891	-434,496	-543,003	-620,178	-665,789	-679,599	-661,373	-610,873	-527,862
30	0	0	0	0	0	0	-6,838	-16,207	-23,879	-29,843	-34,084	-36,591	-37,350	-36,348	-33,573	-29,010
31	0	0	0	0	0	0	-25,161	-59,637	-87,869	-109,813	-125,420	-134,644	-137,437	-133,751	-123,539	-106,751
32	0	0	0	0	0	0	-782	-1,854	-2,731	-3,413	-3,898	-4,185	-4,272	-4,157	-3,840	-3,318
33	0	0	0	0	0	0	-1,297	-3,067	-4,508	-5,620	-6,402	-6,856	-6,981	-6,777	-6,245	-5,383
34	0	0	0	0	0	0	-15,867	-37,515	-55,139	-68,740	-78,316	-83,869	-85,398	-82,903	-76,385	-65,843
35	0	0	0	0	0	0	-50,000	0	0	0	0	0	0	0	0	0
36	0	0	0	0	0	0	-110,091	0	0	0	0	0	0	0	0	0
37	**0**	**0**	**0**	**0**	**0**	**0**	**-584,455**	**-413,170**	**-608,623**	**-760,431**	**-868,300**	**-931,934**	**-951,037**	**-925,310**	**-854,454**	**-738,166**
38																
39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
42																
43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
44	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	0	0	0	0	0	0	0	0	0	0
45	-2,880	-2,880	-2,880	-2,880	-2,880	-2,880	-2,880	-2,880	-520	-520	-520	-520	-520	-520	-520	-520
46	**-7,467**	**-7,467**	**-7,467**	**-7,467**	**-7,467**	**-7,467**	**-2,880**	**-2,880**	**-520**	**-520**	**-520**	**-520**	**-520**	**-520**	**-520**	**-520**
47																
48	0	0	0	0	0	0	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167
49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

FOIA CONFIDENTIAL TREATMENT REQUESTED

	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH
1	**11-Feb**	**11-Mar**	**11-Apr**	**11-May**	**11-Jun**	**11-Jul**	**11-Aug**	**11-Sep**	**11-Oct**	**11-Nov**	**11-Dec**	**12-Jan**	**12-Feb**	**12-Mar**	**12-Apr**
2	**41**	**42**	**43**	**44**	**45**	**46**	**47**	**48**	**49**	**50**	**51**	**52**	**53**	**54**	**55**
3															
4	0	0	0	0	0	0	0	0	0	0	95,913	95,913	95,913	95,913	95,913
5	0	0	0	0	4,346	4,346	4,346	4,346	4,346	4,346	4,346	4,346	4,346	4,346	4,346
6	0	0	0	0	26,027	26,027	26,027	26,027	26,027	26,027	26,027	26,027	26,027	26,027	26,027
7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	**0**	**0**	**0**	**0**	**30,374**	**30,374**	**30,374**	**30,374**	**30,374**	**30,374**	**126,287**	**126,287**	**126,287**	**126,287**	**126,287**
11															
12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
15															
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500
19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	-25,438	0	0	0	0	0	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62
26	**-12,562**	**-12,562**	**-38,000**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**
27															
28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	-412,099	-263,343	0	0	0	0	0	0	0	0	0	0	0	0	0
30	-22,648	-14,473	0	0	0	0	0	0	0	0	0	0	0	0	0
31	-83,340	-53,257	0	0	0	0	0	0	0	0	0	0	0	0	0
32	-2,590	-1,655	0	0	0	0	0	0	0	0	0	0	0	0	0
33	-4,192	-2,672	0	0	0	0	0	0	0	0	0	0	0	0	0
34	-51,276	-32,687	0	0	0	0	0	0	0	0	0	0	0	0	0
35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	**-576,145**	**-368,087**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
38															
39	0	0	0	0	-2,454,071	0	0	0	0	0	0	0	0	0	0
40	0	0	0	0	-535,415	0	0	0	0	0	0	0	0	0	0
41	**0**	**0**	**0**	**0**	**-2,989,487**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
42															
43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	-520	-520	-520	-520	-17,016	-287	-344	-222	-265	-299	-326	-344	-354	-356	-350
46	**-520**	**-520**	**-520**	**-520**	**-17,016**	**-287**	**-344**	**-222**	**-265**	**-299**	**-326**	**-344**	**-354**	**-356**	**-350**
47															
48	-4,167	-4,167	0	0	0	0	0	0	0	0	0	0	0	0	0
49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50	0	0	0	0	-29,266	0	0	0	0	0	0	0	0	0	0

FOIA CONFIDENTIAL TREATMENT REQUESTED

	BI	BJ	BK	BL	BM	BN	BO	BP	BQ	BR	BS	BT	BU	BV	BW
1	**12-May**	**12-Jun**	**12-Jul**	**12-Aug**	**12-Sep**	**12-Oct**	**12-Nov**	**12-Dec**	**13-Jan**	**13-Feb**	**13-Mar**	**13-Apr**	**13-May**	**13-Jun**	**13-Jul**
2	**56**	**57**	**58**	**59**	**60**	**61**	**62**	**63**	**64**	**65**	**66**	**67**	**68**	**69**	**70**
3															
4	95,913	98,791	98,791	98,791	98,791	98,791	98,791	98,791	98,791	98,791	98,791	98,791	98,791	101,754	101,754
5	4,346	4,477	4,477	4,477	4,477	4,477	4,477	4,477	4,477	4,477	4,477	4,477	4,477	4,611	4,611
6	26,027	26,808	26,808	26,808	26,808	26,808	26,808	26,808	26,808	26,808	26,808	26,808	26,808	27,612	27,612
7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	**126,287**	**130,075**	**130,075**	**130,075**	**130,075**	**130,075**	**130,075**	**130,075**	**130,075**	**130,075**	**130,075**	**130,075**	**130,075**	**133,978**	**133,978**
11															
12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
15															
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	-12,500	-12,500	-12,500	-12,500	-12,500	0	0	0	0	0	0	0	0	0	0
19	0	0	0	0	0	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667
20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	0	-175,000	0	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	-62	-62	-62	-62	-62	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83
26	**-12,562**	**-187,562**	**-12,562**	**-12,562**	**-12,562**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**
27															
28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
38															
39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
42															
43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	-335	-312	-279	-238	-188	-128	0	0	0	0	0	0	0	0	0
46	**-335**	**-312**	**-279**	**-238**	**-188**	**-128**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
47															
48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

FOIA CONFIDENTIAL TREATMENT REQUESTED

	BX	BY	BZ	CA	CB	CC	CD	CE	CF	CG	CH	CI	CJ	CK	CL
1	**13-Aug**	**13-Sep**	**13-Oct**	**13-Nov**	**13-Dec**	**14-Jan**	**14-Feb**	**14-Mar**	**14-Apr**	**14-May**	**14-Jun**	**14-Jul**	**14-Aug**	**14-Sep**	**14-Oct**
2	**71**	**72**	**73**	**74**	**75**	**76**	**77**	**78**	**79**	**80**	**81**	**82**	**83**	**84**	**85**
3															
4	101,754	101,754	101,754	101,754	101,754	101,754	101,754	101,754	101,754	101,754	104,807	104,807	104,807	104,807	104,807
5	4,611	4,611	4,611	4,611	4,611	4,611	4,611	4,611	4,611	4,611	4,749	4,749	4,749	4,749	4,749
6	27,612	27,612	27,612	27,612	27,612	27,612	27,612	27,612	27,612	27,612	28,441	28,441	28,441	28,441	28,441
7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	**133,978**	**133,978**	**133,978**	**133,978**	**133,978**	**133,978**	**133,978**	**133,978**	**133,978**	**133,978**	**137,997**	**137,997**	**137,997**	**137,997**	**137,997**
11															
12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
15															
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667
20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83
26	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**
27															
28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
38															
39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
42															
43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
47															
48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

FOIA CONFIDENTIAL TREATMENT REQUESTED

	CM	CN	CO	CP	CQ	CR	CS	CT	CU	CV	CW	CX	CY	CZ	DA
1	**14-Nov**	**14-Dec**	**15-Jan**	**15-Feb**	**15-Mar**	**15-Apr**	**15-May**	**15-Jun**	**15-Jul**	**15-Aug**	**15-Sep**	**15-Oct**	**15-Nov**	**15-Dec**	**16-Jan**
2	**86**	**87**	**88**	**89**	**90**	**91**	**92**	**93**	**94**	**95**	**96**	**97**	**98**	**99**	**100**
3															
4	104,807	104,807	104,807	104,807	104,807	104,807	104,807	107,951	107,951	107,951	107,951	107,951	107,951	107,951	107,951
5	4,749	4,749	4,749	4,749	4,749	4,749	4,749	4,892	4,892	4,892	4,892	4,892	4,892	4,892	4,892
6	28,441	28,441	28,441	28,441	28,441	28,441	28,441	29,294	29,294	29,294	29,294	29,294	29,294	29,294	29,294
7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	**137,997**	**137,997**	**137,997**	**137,997**	**137,997**	**137,997**	**137,997**	**142,137**	**142,137**	**142,137**	**142,137**	**142,137**	**142,137**	**142,137**	**142,137**
11															
12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
15															
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667
20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83
26	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**
27															
28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
38															
39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
42															
43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
47															
48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

FOIA CONFIDENTIAL TREATMENT REQUESTED

	DB	DC	DD	DE	DF	DG	DH	DI	DJ	DK	DL	DM	DN	DO	DP
1	**16-Feb**	**16-Mar**	**16-Apr**	**16-May**	**16-Jun**	**16-Jul**	**16-Aug**	**16-Sep**	**16-Oct**	**16-Nov**	**16-Dec**	**17-Jan**	**17-Feb**	**17-Mar**	**17-Apr**
2	**101**	**102**	**103**	**104**	**105**	**106**	**107**	**108**	**109**	**110**	**111**	**112**	**113**	**114**	**115**
3															
4	107,951	107,951	107,951	107,951	111,190	111,190	111,190	111,190	111,190	111,190	111,190	111,190	111,190	111,190	111,190
5	4,892	4,892	4,892	4,892	5,039	5,039	5,039	5,039	5,039	5,039	5,039	5,039	5,039	5,039	5,039
6	29,294	29,294	29,294	29,294	30,173	30,173	30,173	30,173	30,173	30,173	30,173	30,173	30,173	30,173	30,173
7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	**142,137**	**142,137**	**142,137**	**142,137**	**146,401**	**146,401**	**146,401**	**146,401**	**146,401**	**146,401**	**146,401**	**146,401**	**146,401**	**146,401**	**146,401**
11															
12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
15															
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667
20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83
26	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**
27															
28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
38															
39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
42															
43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
47															
48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

FOIA CONFIDENTIAL TREATMENT REQUESTED

	DQ	DR	DS	DT	DU
1	**17-May**	**17-Jun**	**17-Jul**	**17-Aug**	**17-Sep**
2	**116**	**117**	**118**	**119**	**120**
3					
4	111,190	114,525	114,525	114,525	0
5	5,039	5,190	5,190	5,190	0
6	30,173	31,078	31,078	31,078	0
7	0	0	0	0	21,143,164
8	0	0	0	0	958,133
9	0	0	0	0	5,737,434
10	**146,401**	**150,793**	**150,793**	**150,793**	**27,838,730**
11					
12	0	0	0	0	0
13	0	0	0	0	-835,162
14	**0**	**0**	**0**	**0**	**-835,162**
15					
16	0	0	0	0	-3,420,000
17	0	0	0	0	0
18	0	0	0	0	0
19	-16,667	-16,667	-16,667	-16,667	-16,667
20	0	0	0	0	0
21	0	0	0	0	0
22	0	0	0	0	0
23	0	0	0	0	0
24	0	0	0	0	0
25	-83	-83	-83	-83	-17,183
26	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-3,453,850**
27					
28	0	0	0	0	0
29	0	0	0	0	0
30	0	0	0	0	0
31	0	0	0	0	0
32	0	0	0	0	0
33	0	0	0	0	0
34	0	0	0	0	0
35	0	0	0	0	0
36	0	0	0	0	0
37	**0**	**0**	**0**	**0**	**0**
38					
39	0	0	0	0	0
40	0	0	0	0	0
41	**0**	**0**	**0**	**0**	**0**
42					
43	0	0	0	0	0
44	0	0	0	0	0
45	0	0	0	0	0
46	**0**	**0**	**0**	**0**	**0**
47					
48	0	0	0	0	0
49	0	0	0	0	0
50	0	0	0	0	0

WMATA-INV 016324

	A	B	C	D	E	F	G	H	I	J	K	L	M
51		Lease Comm - Office Space	94	-630,949	0	0	0	0	0	0	0	0	0
52		Lease Comm - Tuck-under Parking	94	-29,896	0	0	0	0	0	0	0	0	0
53		Lease Comm - Retail Space	94	-179,023	0	0	0	0	0	0	0	0	0
54		Rent Review Fee	77	0	0	0	0	0	0	0	0	0	0
55	**Total for Marketing/Leasing**			**-919,134**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
56	**Development Management Fee**												
57		Dev. Management Fee	85	-236,984	0	0	0	0	0	0	0	-5,266	-5,266
58	**Total for Development Management Fee**			**-236,984**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-5,266**	**-5,266**
59	**Finance Details**												
60		Net period total		17,234,979	0	-276,968	-6,562	-6,562	-6,562	-6,562	-6,562	-99,978	-44,540
61		Period Total for Interest			0	-275,438	-283,218	-289,780	-296,342	-302,904	-309,466	-371,465	-968,266
62		Total Interest + Fees (All Loans)		-1,862,298	0	0	0	0	0	0	0	-552,261	0
63		Period Total For IRR		10,420,716	0	-276,968	-6,562	-6,562	-6,562	-6,562	-6,562	-652,238	-44,540
64		Cumulative Total C/F		10,420,716	0	-276,968	-283,530	-290,092	-296,654	-303,216	-309,777	-962,016	-1,006,556

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016325

FOIA CONFIDENTIAL TREATMENT REQUESTED

	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC
51	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
54	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
56																
57	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266
58	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**
59																
60	-44,540	-44,540	-44,540	-44,540	-134,785	-50,822	-50,822	-50,822	-53,421	-53,421	-78,858	-53,421	-53,421	-53,421	-25,296	-25,296
61	-1,012,806	-1,057,346	-1,101,887	-1,146,427	-1,228,905	-1,332,003	-1,382,824	-1,433,646	-1,484,467	-1,537,888	-1,616,746	-1,670,228	-1,724,105	-1,778,252	-1,832,669	-1,859,233
62	0	0	0	0	0	0	0	0	0	0	-62	-457	-726	-997	-1,269	-1,402
63	-44,540	-44,540	-44,540	-44,540	-134,785	-50,822	-50,822	-50,822	-53,421	-53,421	-78,920	-53,877	-54,146	-54,417	-26,564	-26,697
64	-1,051,096	-1,095,637	-1,140,177	-1,184,717	-1,319,503	-1,370,324	-1,421,146	-1,471,967	-1,525,388	-1,578,808	-1,657,728	-1,711,605	-1,765,752	-1,820,169	-1,846,733	-1,873,430

FOIA CONFIDENTIAL TREATMENT REQUESTED

	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS
51	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
54	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	**0**	**0**	**0**	**0**	**0**	**0**	**-4,167**	**-4,167**	**-4,167**	**-4,167**	**-4,167**	**-4,167**	**-4,167**	**-4,167**	**-4,167**	**-4,167**
56																
57	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266
58	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**
59																
60	-50,733	-25,296	-25,296	-25,296	-25,296	-25,296	-886,017	-438,045	-631,138	-782,946	-890,815	-954,449	-998,990	-947,825	-876,969	-760,681
61	-1,911,368	-1,938,198	-1,965,290	-1,992,518	-2,019,881	-2,047,382	-2,350,457	-2,963,517	-3,408,485	-4,048,771	-4,844,067	-5,751,208	-6,751,956	-7,751,246	-8,729,933	-9,642,657
62	-1,535	-1,796	-1,932	-2,068	-2,205	-2,342	-2,481	-6,923	-9,148	-12,349	-16,326	-20,861	-25,738	-30,862	-35,755	-40,319
63	-52,268	-27,092	-27,227	-27,364	-27,500	-27,638	-888,498	-444,968	-640,286	-795,296	-907,141	-975,311	-1,024,728	-978,687	-912,724	-801,000
64	-1,925,698	-1,952,790	-1,980,018	-2,007,381	-2,034,882	-2,062,519	-2,951,017	-3,395,985	-4,036,271	-4,831,567	-5,738,708	-6,714,018	-7,738,746	-8,717,433	-9,630,157	-10,431,157

FOIA CONFIDENTIAL TREATMENT REQUESTED

	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH
51	0	0	0	0	-630,949	0	0	0	0	0	0	0	0	0	0
52	0	0	0	0	-29,896	0	0	0	0	0	0	0	0	0	0
53	0	0	0	0	-179,023	0	0	0	0	0	0	0	0	0	0
54	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	**-4,167**	**-4,167**	**0**	**0**	**-869,134**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
56															
57	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	0	0	0	0
58	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**0**	**0**	**0**	**0**
59															
60	-598,661	-390,602	-43,786	-18,348	-3,863,092	12,258	12,200	12,323	12,280	12,246	108,132	113,380	113,370	113,368	113,374
61	-10,443,657	-11,086,641	-11,550,219	-11,618,297	-11,656,469	-15,570,100	-15,627,950	-15,686,147	-15,744,512	-15,803,212	-15,766,326	-15,729,762	-15,687,768	-15,645,573	-15,603,170
62	-44,324	-47,539	-49,729	-50,197	-50,540	-70,108	-70,397	-70,688	-70,980	-71,273	-71,568	-71,386	-71,176	-70,965	-70,753
63	-642,984	-438,141	-93,515	-68,545	-3,913,632	-57,850	-58,197	-58,366	-58,700	-59,028	36,564	41,995	42,194	42,403	42,622
64	-11,074,141	-11,512,282	-11,605,797	-11,674,342	-15,587,974	-15,645,824	-15,704,020	-15,762,386	-15,821,086	-15,880,113	-15,843,549	-15,801,555	-15,759,360	-15,716,957	-15,674,335

FOIA CONFIDENTIAL TREATMENT REQUESTED

	BI	BJ	BK	BL	BM	BN	BO	BP	BQ	BR	BS	BT	BU	BV	BW
51	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
54	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56															
57	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
59															
60	113,389	-57,799	117,234	117,275	117,325	113,197	113,325	113,325	113,325	113,325	113,325	113,325	113,325	117,227	117,227
61	-15,560,549	-15,688,910	-15,642,034	-15,606,191	-15,570,225	-15,538,294	-15,506,243	-15,473,982	-15,441,638	-15,409,210	-15,376,699	-15,344,105	-15,311,426	-15,274,760	-15,238,008
62	-70,540	-70,325	0	0	0	0	0	0	0	0	0	0	0	0	0
63	42,850	-128,124	35,844	35,966	36,098	32,051	32,262	32,344	32,427	32,511	32,595	32,679	32,764	36,751	36,837
64	-15,631,486	-15,759,610	-15,723,766	-15,687,800	-15,651,703	-15,619,652	-15,587,390	-15,555,046	-15,522,619	-15,490,108	-15,457,513	-15,424,834	-15,392,070	-15,355,319	-15,318,482

	BX	BY	BZ	CA	CB	CC	CD	CE	CF	CG	CH	CI	CJ	CK	CL
51	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
54	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56															
57	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
59															
60	117,227	117,227	117,227	117,227	117,227	117,227	117,227	117,227	117,227	117,227	121,247	121,247	121,247	121,247	121,247
61	-15,201,172	-15,164,249	-15,127,240	-15,090,143	-15,052,960	-15,015,689	-14,978,329	-14,940,881	-14,903,344	-14,865,717	-14,823,981	-14,782,155	-14,740,238	-14,698,229	-14,656,129
62	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
63	36,923	37,009	37,096	37,183	37,271	37,359	37,448	37,537	37,627	37,717	41,826	41,917	42,009	42,100	42,193
64	-15,281,560	-15,244,550	-15,207,454	-15,170,271	-15,132,999	-15,095,640	-15,058,192	-15,020,655	-14,983,028	-14,945,312	-14,903,485	-14,861,568	-14,819,559	-14,777,459	-14,735,266

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016330

	CM	CN	CO	CP	CQ	CR	CS	CT	CU	CV	CW	CX	CY	CZ	DA
51	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
54	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56															
57	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
59															
60	121,247	121,247	121,247	121,247	121,247	121,247	121,247	125,387	125,387	125,387	125,387	125,387	125,387	125,387	125,387
61	-14,613,936	-14,571,651	-14,529,272	-14,486,800	-14,444,234	-14,401,573	-14,358,818	-14,311,826	-14,264,739	-14,217,555	-14,170,275	-14,122,896	-14,075,420	-14,027,846	-13,980,172
62	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
63	42,285	42,378	42,472	42,566	42,661	42,756	42,851	47,087	47,184	47,281	47,378	47,476	47,575	47,673	47,773
64	-14,692,981	-14,650,603	-14,608,130	-14,565,564	-14,522,903	-14,480,148	-14,437,296	-14,390,209	-14,343,025	-14,295,745	-14,248,366	-14,200,890	-14,153,316	-14,105,642	-14,057,870

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016331

FOIA CONFIDENTIAL TREATMENT REQUESTED

	DB	DC	DD	DE	DF	DG	DH	DI	DJ	DK	DL	DM	DN	DO	DP
51	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
54	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56															
57	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
59															
60	125,387	125,387	125,387	125,387	129,651	129,651	129,651	129,651	129,651	129,651	129,651	129,651	129,651	129,651	129,651
61	-13,932,400	-13,884,527	-13,836,554	-13,788,480	-13,736,040	-13,683,499	-13,630,855	-13,578,108	-13,525,258	-13,472,303	-13,419,245	-13,366,081	-13,312,811	-13,259,436	-13,205,954
62	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
63	47,873	47,973	48,074	48,175	52,541	52,644	52,747	52,850	52,954	53,059	53,164	53,269	53,375	53,482	53,589
64	-14,009,997	-13,962,024	-13,913,950	-13,865,774	-13,813,233	-13,760,589	-13,707,842	-13,654,992	-13,602,037	-13,548,979	-13,495,815	-13,442,545	-13,389,170	-13,335,688	-13,282,099

	DQ	DR	DS	DT	DU
51	0	0	0	0	0
52	0	0	0	0	0
53	0	0	0	0	0
54	0	0	0	0	0
55	**0**	**0**	**0**	**0**	**0**
56					
57	0	0	0	0	0
58	**0**	**0**	**0**	**0**	**0**
59					
60	129,651	134,043	134,043	134,043	23,549,718
61	-13,152,365	-13,094,276	-13,036,079	-12,977,773	11,348,579
62	0	0	0	0	0
63	53,697	58,197	58,306	58,415	23,474,200
64	-13,228,402	-13,170,205	-13,111,899	-13,053,484	10,420,716

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016333

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, August 7, 2008 4:45 PM
To: 'robb@lakritzadler.com'
Subject: FW: CONFIDENTIAL: 1920 8th Street Offer REVISED

How do you want to handle?

From: Omar A. Karim [mailto:okarim@bannekerventures.com]
Sent: Thursday, August 07, 2008 3:11 PM
To: Josh Adler
Subject: Re: CONFIDENTIAL: 1920 8th Street Offer REVISED

Josh,

Thank you for your email. Can you draft something up for us to review?

Omar

Omar A. Karim
Banneker Ventures, LLC
700 12th Street, NW, Suite 700
Washington, DC 20005
(202) 667-4110 office
(301) 523-1810 cell

From: "Josh Adler" <josh@lakritzadler.com>
Date: Tue, 5 Aug 2008 13:52:19 -0400
To: 'Omar A. Karim'<okarim@bannekerventures.com>
Subject: RE: CONFIDENTIAL: 1920 8th Street Offer REVISED

Hello Omar,

Here is where we are on your proposal:

We can accept your price of $1.5 million for the ground lease.

We would require that you pay all of the ground lease carry costs ($150,000 per year plus property taxes) during the time that you want to reserve your right to exercise your option, with payments made monthly on the first of each month, time of the essence. Keep in mind that most of the ground lease payments are crediting toward your future exercise of the land option.

Deposit of $50,000 at contract execution is acceptable.

Settlement would occur by end of 2009.

We reserve the right to withdraw this offer at any time, without further notice.

Best regards,

Josh Adler
202-882-0808

From: Omar A. Karim [mailto:okarim@bannekerventures.com]

Sent: Monday, July 21, 2008 2:37 PM
To: 'Josh Adler'
Subject: RE: CONFIDENTIAL: 1920 8th Street Offer REVISED

Josh,

Please advise where you all are with respect to our offer. As discussed, we could try to make the deal work by paying your firm a maximum of 1.5M for your option under the terms that we discussed.

Omar

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, July 15, 2008 3:39 PM
To: okarim@bannekerventures.com
Subject: CONFIDENTIAL: 1920 8th Street Offer REVISED

PERSONAL AND CONFIDENTIAL

Dear Omar:

Following up on our meeting last week, we have revised our proposal for the transfer of our ground lease and purchase option on 1920 8th Street to your organization for inclusion in your proposed project on the adjacent WMATA parcels.

As we discussed in the meeting, there would be a number of benefits to Banneker for including the 1920 8th Street parcel in your development project on the smaller adjacent WMATA parcels. These include:

1) Reduced site work and foundation engineering cost by avoiding placing the building load on the Metro tunnel beneath the WMATA parcel.

2) Much greater construction efficiency (lower average cost by reducing general conditions and other fixed costs per foot) and lower core factor (a higher ratio of net rentable to gross square footage) by building and operating a single 90,000 square foot rather than only a 38,000 square foot building on the site.

3) Higher final valuation factor as well as easier financing for the project by producing an institutional-grade building (approximately 100 units) rather than a non-institutional grade building (only about 40-units).

4) A savings of about nine months off your pre-construction approval time, because with the combined parcels it is possible to build a 90,000 square foot by-right project on the site, with no zoning relief, whereas you will definitely need to go through the nine-month BZA variance process to build anything close to a maximum density building on WMATA Parcel 2 by itself. A true by-right plan is also much easier to finance with lenders and investors compared to a plan that hinges on a successful entitlement process.

In addition, there are the benefits of our subordinated ground lease and purchase option structure. These include: 1) the below market carry cost of the ground lease payments over ten years, which credit toward the purchase option, resulting in a very favorable effective land cost under the ground lease compared to a fee simple purchase at market value today (especially after discounting for the time-value of money over that period); and 2) the Landlord's obligation to subordinate his fee interest in the land to the developer's construction and permanent financing, which means that the developer is effectively replacing third party investor cash equity -- the most expensive kind of money -- with low-cost senior debt collateralized by the Landord's fee interest, greatly enhancing the share of profits that the developer keeps and greatly enhancing investor cash returns through a super-leveraging effect. This further amplifies the impact of the back-loading of the land purchase cost in net present value calculations.

In our meeting you stated that you would be willing to pay $80 per FAR-foot today for the 1920 8th Street parcel, which is a price of $4,075,200. As you can see from the attached Excel spreadsheet, if we assign a present value of $80 per FAR-foot to the land (although we have a bank-ordered appraisal valuing the land at over $120/FAR-foot), it is the equivalent paying a $2,670,300 for the ground lease in August 2008, paying the ground lease directly until the end of its final term, and then exercising the final option price of about $3.6 million in August 2017. In other words, owing to the discounting effect of paying most of the purchase price in nine years, rather than today, plus the benefit of getting to use the entire

land value as equity for your project, even though you have not paid for the entire land value, paying $2.67 million now and $3.6 million in nine years is equivalent to paying the full $4,075,200 today. This does not even consider the valuation impacts to your project listed above.

Since you do not anticipate closing on the assignment until next year, we need to make some accommodation for the ongoing cost of the Ground Lease until you close, if we are going to tie up the land under your option.

Our thought on this would be to sell you a **$2.32 million** option on the ground lease (after applying advance payments) through August 3, 2009, by which time settlement on the ground lease assignment would have to occur. Your advance payments to the Ground Lease would credit to the assignment price at settlement. This is a considerable reduction from our calculation of the actual market value of the Ground Lease, which is $3.5 million, based on a present value of $100 per FAR-foot.

To summarize our proposal:

1) We ("Seller") would enter into an assignment contract with respect to the Ground Lease with you ("Purchaser")
2) Purchaser would make a nonrefundable one-time payment of $200,000 ("Assignment Option Fee") directly to 1920 8th Street LLC upon execution of the assignment contract (following a reasonable due diligence period for Purchaser's legal review of the Ground Lease and any investigation of the site)
3) Purchaser also would pay the next year of Ground Lease payments and property tax payments (approximately $200,000) into an escrow account, which would disburse the payments to the Landlord each month, as required by the Ground Lease.
4) Not later than August 3, 2009, Purchaser would settle on purchase of Ground Lease, by making an additional payment of $2.32 million to Seller, at which time all of Seller's rights and obligations with respect to Ground Lease would transfer to Purchaser. (Purchase Price is $2.67 million, less credit for $350,000 of the Assignment Option Fee and advance lease payments.)
5) If Purchaser failed to settle the purchase of Ground Lease by August 3, 2009, control of Ground Lease would revert to Seller, assignment contract would be null and void, and Seller would retain the $200,000 nonrefundable Assignment Option Fee.

We think this is a simple and fair structure to transfer control of the Ground Lease at below its fair market value, and it gives you plenty of time to conclude your settlement with WMATA with minimal risk and exposure. As you can see, we have greatly reduced the advance payment amount required to control the ground lease. Of course, it also has the substantial benefits to you of making it far less costly to build on WMATA Parcel 2 (you will probably recover most of the assignment cost on that basis alone), increasing the value and efficiency of your project, saving nine months off your approval time and bringing a substantial amount of land equity into the project financing.

We reserve the right to withdraw or modify this offer at any time in our sole discretion, and without further notice. Please hold confidential this e-mail, any attachments, and all related discussions.

Sincerely,

Joshua Adler
Co-Managing Member
1920 8th Street LLC

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Thursday, August 7, 2008 5:19 PM
To: 'Josh Adler' <josh@lakritzadler.com>
Subject: RE: CONFIDENTIAL: 1920 8th Street Offer REVISED

Probably worth putting it in an LOI first.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, August 07, 2008 4:45 PM
To: robb@lakritzadler.com
Subject: FW: CONFIDENTIAL: 1920 8th Street Offer REVISED

How do you want to handle?

From: Omar A. Karim [mailto:okarim@bannekerventures.com]
Sent: Thursday, August 07, 2008 3:11 PM
To: Josh Adler
Subject: Re: CONFIDENTIAL: 1920 8th Street Offer REVISED

Josh,

Thank you for your email. Can you draft something up for us to review?

Omar

Omar A. Karim
Banneker Ventures, LLC
700 12th Street, NW, Suite 700
Washington, DC 20005
(202) 667-4110 office
(301) 523-1810 cell

From: "Josh Adler" <josh@lakritzadler.com>
Date: Tue, 5 Aug 2008 13:52:19 -0400
To: 'Omar A. Karim'<okarim@bannekerventures.com>
Subject: RE: CONFIDENTIAL: 1920 8th Street Offer REVISED
Hello Omar,

Here is where we are on your proposal:

We can accept your price of $1.5 million for the ground lease.

We would require that you pay all of the ground lease carry costs ($150,000 per year plus property taxes) during the time that you want to reserve your right to exercise your option, with payments made monthly on the first of each month, time of the essence. Keep in mind that most of the ground lease payments are crediting toward your future exercise of the land option.

Deposit of $50,000 at contract execution is acceptable.

Settlement would occur by end of 2009.

We reserve the right to withdraw this offer at any time, without further notice.

Best regards,

Josh Adler
202-882-0808

From: Omar A. Karim [mailto:okarim@bannekerventures.com]
Sent: Monday, July 21, 2008 2:37 PM
To: 'Josh Adler'
Subject: RE: CONFIDENTIAL: 1920 8th Street Offer REVISED

Josh,

Please advise where you all are with respect to our offer. As discussed, we could try to make the deal work by paying your firm a maximum of 1.5M for your option under the terms that we discussed.

Omar

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, July 15, 2008 3:39 PM
To: okarim@bannekerventures.com
Subject: CONFIDENTIAL: 1920 8th Street Offer REVISED

PERSONAL AND CONFIDENTIAL

Dear Omar:

Following up on our meeting last week, we have revised our proposal for the transfer of our ground lease and purchase option on 1920 8th Street to your organization for inclusion in your proposed project on the adjacent WMATA parcels.

As we discussed in the meeting, there would be a number of benefits to Banneker for including the 1920 8th Street parcel in your development project on the smaller adjacent WMATA parcels. These include:

1) Reduced site work and foundation engineering cost by avoiding placing the building load on the Metro tunnel beneath the WMATA parcel.

2) Much greater construction efficiency (lower average cost by reducing general conditions and other fixed costs per foot) and lower core factor (a higher ratio of net rentable to gross square footage) by building and operating a single 90,000 square foot rather than only a 38,000 square foot building on the site.

3) Higher final valuation factor as well as easier financing for the project by producing an institutional-grade building (approximately 100 units) rather than a non-institutional grade building (only about 40-units).

4) A savings of about nine months off your pre-construction approval time, because with the combined parcels it is possible to build a 90,000 square foot by-right project on the site, with no zoning relief, whereas you will definitely need to go through the nine-month BZA variance process to build anything close to a maximum density building on WMATA Parcel 2 by itself. A true by-right plan is also much easier to finance with lenders and investors compared to a plan that hinges on a successful entitlement process.

In addition, there are the benefits of our subordinated ground lease and purchase option structure. These include: 1) the below market carry cost of the ground lease payments over ten years, which credit toward the purchase option, resulting in a very favorable effective land cost under the ground lease compared to a fee simple purchase at market value today (especially after discounting for the time-value of money over that period); and 2) the Landlord's obligation to subordinate his fee interest in the land to the developer's construction and permanent financing, which means that the developer is effectively replacing third party investor cash equity -- the most expensive kind of money -- with low-cost senior debt collateralized by the Landord's fee interest, greatly enhancing the share of profits that the developer keeps and greatly enhancing investor cash returns through a super-leveraging effect. This further amplifies the impact of the back-loading of

the land purchase cost in net present value calculations.

In our meeting you stated that you would be willing to pay $80 per FAR-foot today for the 1920 8th Street parcel, which is a price of $4,075,200. As you can see from the attached Excel spreadsheet, if we assign a present value of $80 per FAR-foot to the land (although we have a bank-ordered appraisal valuing the land at over $120/FAR-foot), it is the equivalent paying a $2,670,300 for the ground lease in August 2008, paying the ground lease directly until the end of its final term, and then exercising the final option price of about $3.6 million in August 2017. In other words, owing to the discounting effect of paying most of the purchase price in nine years, rather than today, plus the benefit of getting to use the entire land value as equity for your project, even though you have not paid for the entire land value, paying $2.67 million now and $3.6 million in nine years is equivalent to paying the full $4,075,200 today. This does not even consider the valuation impacts to your project listed above.

Since you do not anticipate closing on the assignment until next year, we need to make some accommodation for the ongoing cost of the Ground Lease until you close, if we are going to tie up the land under your option.

Our thought on this would be to sell you a **$2.32 million** option on the ground lease (after applying advance payments) through August 3, 2009, by which time settlement on the ground lease assignment would have to occur. Your advance payments to the Ground Lease would credit to the assignment price at settlement. This is a considerable reduction from our calculation of the actual market value of the Ground Lease, which is $3.5 million, based on a present value of $100 per FAR-foot.

To summarize our proposal:

1) We ("Seller") would enter into an assignment contract with respect to the Ground Lease with you ("Purchaser")
2) Purchaser would make a nonrefundable one-time payment of $200,000 ("Assignment Option Fee") directly to 1920 8th Street LLC upon execution of the assignment contract (following a reasonable due diligence period for Purchaser's legal review of the Ground Lease and any investigation of the site)
3) Purchaser also would pay the next year of Ground Lease payments and property tax payments (approximately $200,000) into an escrow account, which would disburse the payments to the Landlord each month, as required by the Ground Lease.
4) Not later than August 3, 2009, Purchaser would settle on purchase of Ground Lease, by making an additional payment of $2.32 million to Seller, at which time all of Seller's rights and obligations with respect to Ground Lease would transfer to Purchaser. (Purchase Price is $2.67 million, less credit for $350,000 of the Assignment Option Fee and advance lease payments.)
5) If Purchaser failed to settle the purchase of Ground Lease by August 3, 2009, control of Ground Lease would revert to Seller, assignment contract would be null and void, and Seller would retain the $200,000 nonrefundable Assignment Option Fee.

We think this is a simple and fair structure to transfer control of the Ground Lease at below its fair market value, and it gives you plenty of time to conclude your settlement with WMATA with minimal risk and exposure. As you can see, we have greatly reduced the advance payment amount required to control the ground lease. Of course, it also has the substantial benefits to you of making it far less costly to build on WMATA Parcel 2 (you will probably recover most of the assignment cost on that basis alone), increasing the value and efficiency of your project, saving nine months off your approval time and bringing a substantial amount of land equity into the project financing.

We reserve the right to withdraw or modify this offer at any time in our sole discretion, and without further notice. Please hold confidential this e-mail, any attachments, and all related discussions.

Sincerely,

Joshua Adler
Co-Managing Member
1920 8th Street LLC

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, August 7, 2008 1:08 PM
To: 'robb@lakritzadler.com'
Subject: FW: Meyer School editorial

FYI

From: Jim Graham [mailto:Jim@grahamwone.com]
Sent: Thursday, August 07, 2008 10:01 AM
To: Josh Adler
Subject: RE: Meyer School editorial

A new building for DPW would assuredly be far more expensive. Plus Meyer is ready. Grimke may be a possibility for Meridian, but it is a ways off since neither Fire or Corrections has a new home that is ready. Please do not quote me on any of this. Bests

I typically answer emails before 9 AM on weekdays. If you email me after that, it is likely that you will hear from me the next weekday. If there is a need to communicate prior to that, you may wish to call me. For most effective communication, please use my direct email address: jim@grahamwone.com

Jim Graham, Councilmember, Ward One, 1350 Pa. Ave., NW, #105, Washington, DC 20004. 202-724-8181; 202-724-8109 (fax).

Chairman, Committee on Public Works and the Environment (including alcohol regulation). Main Committee Number: 202-724-8195. 1350 Pa. Ave., NW, #116, Washington, DC 20004.

Voting member, Board of Directors, WMATA/Metro.

Website: www.grahamwone.com

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Wednesday, August 06, 2008 5:00 PM
To: Jim Graham
Subject: Meyer School editorial

Hi Jim,

We saw the Washington Post editorial about the Meyer School, DPW and Meridian PCS. As you might know, we have been talking to Meridian PCS for several years about the potential to build a new school for them at our property at 1920 8th Street, with a plan similar to the very successful new E.L. Haynes PCS building on Georgia. Meridian put the new school plan on hold while they waited for the results of the Meyer School disposition. When they lost Meyer, they became interested in building a new school on 8th Street again. For what it's worth, they have recently yet again lost interest in building and owning a new school building on 8th Street, because they now apparently believe they will get the Grimke School building.

(Meridian is of similar size to E.L. Haynes, and is much, much better funded than E.L. Haynes ever was, and their choice right now is between renewing a very expensive lease with Douglas Jemal in an inferior building and inferior location, or

building and owning their own custom school building in their preferred location at a much lower cost than continuing to rent. I don't know why that is such a hard decision for them, but that's another story.)

I bring all this up because, in light of the Washington Post editorial, we were wondering what the DPW plan is for the Meyer School building. Is it possible that we could serve the DPW needs with a custom building at 1920 8th Street, and then Meridian could still get the Meyer School building? 1920 8th is a much better location for a public agency, as it is zoned C2B arts overlay and is right off the corner of Georgia and Florida in a busy commercial area, two blocks from two different Metro entrances. The Meyer School, at 2501 11th Street, is zoned for single-family residential use in the middle of a single family residentially-zoned neighborhood on a residential street. Maybe a three-way swap would make everyone happy, and address the concerns of the Post editorial?

Best regards,

Josh Adler

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, August 7, 2008 4:45 PM
To: robb@lakritzadler.com
Subject: FW: CONFIDENTIAL: 1920 8th Street Offer REVISED

How do you want to handle?

From: Omar A. Karim [mailto:okarim@bannekerventures.com]
Sent: Thursday, August 07, 2008 3:11 PM
To: Josh Adler
Subject: Re: CONFIDENTIAL: 1920 8th Street Offer REVISED

Josh,

Thank you for your email. Can you draft something up for us to review?

Omar

Omar A. Karim
Banneker Ventures, LLC
700 12th Street, NW, Suite 700
Washington, DC 20005
(202) 667-4110 office
(301) 523-1810 cell

From: "Josh Adler" <josh@lakritzadler.com>
Date: Tue, 5 Aug 2008 13:52:19 -0400
To: 'Omar A. Karim'<okarim@bannekerventures.com>
Subject: RE: CONFIDENTIAL: 1920 8th Street Offer REVISED
Hello Omar,

Here is where we are on your proposal:

We can accept your price of $1.5 million for the ground lease.

We would require that you pay all of the ground lease carry costs ($150,000 per year plus property taxes) during the time that you want to reserve your right to exercise your option, with payments made monthly on the first of each month, time of the essence. Keep in mind that most of the ground lease payments are crediting toward your future exercise of the land option.

Deposit of $50,000 at contract execution is acceptable.

Settlement would occur by end of 2009.

We reserve the right to withdraw this offer at any time, without further notice.

Best regards,

Josh Adler
202-882-0808

From: Omar A. Karim [mailto:okarim@bannekerventures.com]

Sent: Monday, July 21, 2008 2:37 PM
To: 'Josh Adler'
Subject: RE: CONFIDENTIAL: 1920 8th Street Offer REVISED

Josh,

Please advise where you all are with respect to our offer. As discussed, we could try to make the deal work by paying your firm a maximum of 1.5M for your option under the terms that we discussed.

Omar

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, July 15, 2008 3:39 PM
To: okarim@bannekerventures.com
Subject: CONFIDENTIAL: 1920 8th Street Offer REVISED

PERSONAL AND CONFIDENTIAL

Dear Omar:

Following up on our meeting last week, we have revised our proposal for the transfer of our ground lease and purchase option on 1920 8th Street to your organization for inclusion in your proposed project on the adjacent WMATA parcels.

As we discussed in the meeting, there would be a number of benefits to Banneker for including the 1920 8th Street parcel in your development project on the smaller adjacent WMATA parcels. These include:

1) Reduced site work and foundation engineering cost by avoiding placing the building load on the Metro tunnel beneath the WMATA parcel.

2) Much greater construction efficiency (lower average cost by reducing general conditions and other fixed costs per foot) and lower core factor (a higher ratio of net rentable to gross square footage) by building and operating a single 90,000 square foot rather than only a 38,000 square foot building on the site.

3) Higher final valuation factor as well as easier financing for the project by producing an institutional-grade building (approximately 100 units) rather than a non-institutional grade building (only about 40-units).

4) A savings of about nine months off your pre-construction approval time, because with the combined parcels it is possible to build a 90,000 square foot by-right project on the site, with no zoning relief, whereas you will definitely need to go through the nine-month BZA variance process to build anything close to a maximum density building on WMATA Parcel 2 by itself. A true by-right plan is also much easier to finance with lenders and investors compared to a plan that hinges on a successful entitlement process.

In addition, there are the benefits of our subordinated ground lease and purchase option structure. These include: 1) the below market carry cost of the ground lease payments over ten years, which credit toward the purchase option, resulting in a very favorable effective land cost under the ground lease compared to a fee simple purchase at market value today (especially after discounting for the time-value of money over that period); and 2) the Landlord's obligation to subordinate his fee interest in the land to the developer's construction and permanent financing, which means that the developer is effectively replacing third party investor cash equity -- the most expensive kind of money -- with low-cost senior debt collateralized by the Landord's fee interest, greatly enhancing the share of profits that the developer keeps and greatly enhancing investor cash returns through a super-leveraging effect. This further amplifies the impact of the back-loading of the land purchase cost in net present value calculations.

In our meeting you stated that you would be willing to pay $80 per FAR-foot today for the 1920 8th Street parcel, which is a price of $4,075,200. As you can see from the attached Excel spreadsheet, if we assign a present value of $80 per FAR-foot to the land (although we have a bank-ordered appraisal valuing the land at over $120/FAR-foot), it is the equivalent paying a $2,670,300 for the ground lease in August 2008, paying the ground lease directly until the end of its final term, and then exercising the final option price of about $3.6 million in August 2017. In other words, owing to the discounting effect of paying most of the purchase price in nine years, rather than today, plus the benefit of getting to use the entire

land value as equity for your project, even though you have not paid for the entire land value, paying $2.67 million now and $3.6 million in nine years is equivalent to paying the full $4,075,200 today. This does not even consider the valuation impacts to your project listed above.

Since you do not anticipate closing on the assignment until next year, we need to make some accommodation for the ongoing cost of the Ground Lease until you close, if we are going to tie up the land under your option.

Our thought on this would be to sell you a **$2.32 million** option on the ground lease (after applying advance payments) through August 3, 2009, by which time settlement on the ground lease assignment would have to occur. Your advance payments to the Ground Lease would credit to the assignment price at settlement. This is a considerable reduction from our calculation of the actual market value of the Ground Lease, which is $3.5 million, based on a present value of $100 per FAR-foot.

To summarize our proposal:

1) We ("Seller") would enter into an assignment contract with respect to the Ground Lease with you ("Purchaser")
2) Purchaser would make a nonrefundable one-time payment of $200,000 ("Assignment Option Fee") directly to 1920 8th Street LLC upon execution of the assignment contract (following a reasonable due diligence period for Purchaser's legal review of the Ground Lease and any investigation of the site)
3) Purchaser also would pay the next year of Ground Lease payments and property tax payments (approximately $200,000) into an escrow account, which would disburse the payments to the Landlord each month, as required by the Ground Lease.
4) Not later than August 3, 2009, Purchaser would settle on purchase of Ground Lease, by making an additional payment of $2.32 million to Seller, at which time all of Seller's rights and obligations with respect to Ground Lease would transfer to Purchaser. (Purchase Price is $2.67 million, less credit for $350,000 of the Assignment Option Fee and advance lease payments.)
5) If Purchaser failed to settle the purchase of Ground Lease by August 3, 2009, control of Ground Lease would revert to Seller, assignment contract would be null and void, and Seller would retain the $200,000 nonrefundable Assignment Option Fee.

We think this is a simple and fair structure to transfer control of the Ground Lease at below its fair market value, and it gives you plenty of time to conclude your settlement with WMATA with minimal risk and exposure. As you can see, we have greatly reduced the advance payment amount required to control the ground lease. Of course, it also has the substantial benefits to you of making it far less costly to build on WMATA Parcel 2 (you will probably recover most of the assignment cost on that basis alone), increasing the value and efficiency of your project, saving nine months off your approval time and bringing a substantial amount of land equity into the project financing.

We reserve the right to withdraw or modify this offer at any time in our sole discretion, and without further notice. Please hold confidential this e-mail, any attachments, and all related discussions.

Sincerely,

Joshua Adler
Co-Managing Member
1920 8th Street LLC

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Thursday, August 7, 2008 5:19 PM
To: 'Josh Adler' <josh@lakritzadler.com>
Subject: RE: CONFIDENTIAL: 1920 8th Street Offer REVISED

Probably worth putting it in an LOI first.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, August 07, 2008 4:45 PM
To: robb@lakritzadler.com
Subject: FW: CONFIDENTIAL: 1920 8th Street Offer REVISED

How do you want to handle?

From: Omar A. Karim [mailto:okarim@bannekerventures.com]
Sent: Thursday, August 07, 2008 3:11 PM
To: Josh Adler
Subject: Re: CONFIDENTIAL: 1920 8th Street Offer REVISED

Josh,

Thank you for your email. Can you draft something up for us to review?

Omar

Omar A. Karim
Banneker Ventures, LLC
700 12th Street, NW, Suite 700
Washington, DC 20005
(202) 667-4110 office
(301) 523-1810 cell

From: "Josh Adler" <josh@lakritzadler.com>
Date: Tue, 5 Aug 2008 13:52:19 -0400
To: 'Omar A. Karim'<okarim@bannekerventures.com>
Subject: RE: CONFIDENTIAL: 1920 8th Street Offer REVISED
Hello Omar,

Here is where we are on your proposal:

We can accept your price of $1.5 million for the ground lease.

We would require that you pay all of the ground lease carry costs ($150,000 per year plus property taxes) during the time that you want to reserve your right to exercise your option, with payments made monthly on the first of each month, time of the essence. Keep in mind that most of the ground lease payments are crediting toward your future exercise of the land option.

Deposit of $50,000 at contract execution is acceptable.

Settlement would occur by end of 2009.

We reserve the right to withdraw this offer at any time, without further notice.

Best regards,

Josh Adler
202-882-0808

From: Omar A. Karim [mailto:okarim@bannekerventures.com]
Sent: Monday, July 21, 2008 2:37 PM
To: 'Josh Adler'
Subject: RE: CONFIDENTIAL: 1920 8th Street Offer REVISED

Josh,

Please advise where you all are with respect to our offer. As discussed, we could try to make the deal work by paying your firm a maximum of 1.5M for your option under the terms that we discussed.

Omar

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, July 15, 2008 3:39 PM
To: okarim@bannekerventures.com
Subject: CONFIDENTIAL: 1920 8th Street Offer REVISED

PERSONAL AND CONFIDENTIAL

Dear Omar:

Following up on our meeting last week, we have revised our proposal for the transfer of our ground lease and purchase option on 1920 8th Street to your organization for inclusion in your proposed project on the adjacent WMATA parcels.

As we discussed in the meeting, there would be a number of benefits to Banneker for including the 1920 8th Street parcel in your development project on the smaller adjacent WMATA parcels. These include:

1) Reduced site work and foundation engineering cost by avoiding placing the building load on the Metro tunnel beneath the WMATA parcel.

2) Much greater construction efficiency (lower average cost by reducing general conditions and other fixed costs per foot) and lower core factor (a higher ratio of net rentable to gross square footage) by building and operating a single 90,000 square foot rather than only a 38,000 square foot building on the site.

3) Higher final valuation factor as well as easier financing for the project by producing an institutional-grade building (approximately 100 units) rather than a non-institutional grade building (only about 40-units).

4) A savings of about nine months off your pre-construction approval time, because with the combined parcels it is possible to build a 90,000 square foot by-right project on the site, with no zoning relief, whereas you will definitely need to go through the nine-month BZA variance process to build anything close to a maximum density building on WMATA Parcel 2 by itself. A true by-right plan is also much easier to finance with lenders and investors compared to a plan that hinges on a successful entitlement process.

In addition, there are the benefits of our subordinated ground lease and purchase option structure. These include: 1) the below market carry cost of the ground lease payments over ten years, which credit toward the purchase option, resulting in a very favorable effective land cost under the ground lease compared to a fee simple purchase at market value today (especially after discounting for the time-value of money over that period); and 2) the Landlord's obligation to subordinate his fee interest in the land to the developer's construction and permanent financing, which means that the developer is effectively replacing third party investor cash equity -- the most expensive kind of money – with low-cost senior debt collateralized by the Landord's fee interest, greatly enhancing the share of profits that the developer keeps and greatly enhancing investor cash returns through a super-leveraging effect. This further amplifies the impact of the back-loading of

the land purchase cost in net present value calculations.

In our meeting you stated that you would be willing to pay $80 per FAR-foot today for the 1920 8th Street parcel, which is a price of $4,075,200. As you can see from the attached Excel spreadsheet, if we assign a present value of $80 per FAR-foot to the land (although we have a bank-ordered appraisal valuing the land at over $120/FAR-foot), it is the equivalent paying a $2,670,300 for the ground lease in August 2008, paying the ground lease directly until the end of its final term, and then exercising the final option price of about $3.6 million in August 2017. In other words, owing to the discounting effect of paying most of the purchase price in nine years, rather than today, plus the benefit of getting to use the entire land value as equity for your project, even though you have not paid for the entire land value, paying $2.67 million now and $3.6 million in nine years is equivalent to paying the full $4,075,200 today. This does not even consider the valuation impacts to your project listed above.

Since you do not anticipate closing on the assignment until next year, we need to make some accommodation for the ongoing cost of the Ground Lease until you close, if we are going to tie up the land under your option.

Our thought on this would be to sell you a **$2.32 million** option on the ground lease (after applying advance payments) through August 3, 2009, by which time settlement on the ground lease assignment would have to occur. Your advance payments to the Ground Lease would credit to the assignment price at settlement. This is a considerable reduction from our calculation of the actual market value of the Ground Lease, which is $3.5 million, based on a present value of $100 per FAR-foot.

To summarize our proposal:

1) We ("Seller") would enter into an assignment contract with respect to the Ground Lease with you ("Purchaser")
2) Purchaser would make a nonrefundable one-time payment of $200,000 ("Assignment Option Fee") directly to 1920 8th Street LLC upon execution of the assignment contract (following a reasonable due diligence period for Purchaser's legal review of the Ground Lease and any investigation of the site)
3) Purchaser also would pay the next year of Ground Lease payments and property tax payments (approximately $200,000) into an escrow account, which would disburse the payments to the Landlord each month, as required by the Ground Lease.
4) Not later than August 3, 2009, Purchaser would settle on purchase of Ground Lease, by making an additional payment of $2.32 million to Seller, at which time all of Seller's rights and obligations with respect to Ground Lease would transfer to Purchaser. (Purchase Price is $2.67 million, less credit for $350,000 of the Assignment Option Fee and advance lease payments.)
5) If Purchaser failed to settle the purchase of Ground Lease by August 3, 2009, control of Ground Lease would revert to Seller, assignment contract would be null and void, and Seller would retain the $200,000 nonrefundable Assignment Option Fee.

We think this is a simple and fair structure to transfer control of the Ground Lease at below its fair market value, and it gives you plenty of time to conclude your settlement with WMATA with minimal risk and exposure. As you can see, we have greatly reduced the advance payment amount required to control the ground lease. Of course, it also has the substantial benefits to you of making it far less costly to build on WMATA Parcel 2 (you will probably recover most of the assignment cost on that basis alone), increasing the value and efficiency of your project, saving nine months off your approval time and bringing a substantial amount of land equity into the project financing.

We reserve the right to withdraw or modify this offer at any time in our sole discretion, and without further notice. Please hold confidential this e-mail, any attachments, and all related discussions.

Sincerely,

Joshua Adler
Co-Managing Member
1920 8th Street LLC

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Tuesday, August 12, 2008 3:32 PM
To: 'Brad Voight - LA' <brad@lakritzadler.com>
Subject: Finance Cashflow 1920 8th
Attach: 1920 8th Argus 10-year Finance Cash Flow Export 8-12-08.xls

---

LAKRITZ ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D
1				Oct-07
2		Heading	Total	1
3	Finance : Project Cash Flow Pre-Finance IRR:: 13.6%			
4		Revenue: Unit Sales		
5		Revenue: Rental Income	9,679,402	
6		Revenue: Capitalized Rent	27,838,730	
7		Revenue: Other		
8		Total Revenue	37,518,132	
9		Cash Outflows (Dev. Costs)	(20,283,153)	(276,968)
10		Net Cash Flow Pre-Finance (IRR)	17,234,979	(276,968)
11		Mortgage Funding	16,278,016	
12		Mortgage Repayment: Total P&I	(21,229,982)	
13		Reserve In	15,924,393	
14		Reserve Out	(15,924,393)	
15		Reserve Balance		
16		Available for Distribution	32,566,167	
17		Timed Profit Distribution		
18		Auto. Profit for Distribution	10,420,716	
19		Profit Distribution to Order 3	10,420,716	
20	Profit Distribution : Developer Equity Order # 3: Profit Type: Residual Percentage Total Return: $10,420,716			
21		Timed Profit Participation		
22		Profit	10,420,716	
23	Finance : Developer Equity In # 2: 5% Out # 5 Contribution Proportion: 100.00% Repayment Proportion: 100.00%			
24		Timed Contribution: Project		
25		Auto. Project Contribution	(1,014,158)	(276,968)
26		Total Contribution	(1,014,158)	(276,968)
27		Interest		
28		Timed Repayment: Project		
29		Auto. Repayment	1,014,158	
30		Total Repayment	1,014,158	
31		Closing Balance		(276,968)
32		Net Cash Flow (IRR)		(276,968)
33		Cumulative Net Cash Flow		(276,968)
34	Finance : Investor Equity In # 3: $0 Out # 4 Contribution Proportion: 100.00% Repayment Proportion: 100.00%			
35		Timed Contribution: Project		
36		Auto. Project Contribution		
37		Total Contribution		
38		Interest		
39		Timed Repayment: Project		
40		Auto. Repayment		
41		Total Repayment		
42		Closing Balance		
43		Net Cash Flow (IRR)		
44		Cumulative Net Cash Flow		
45	Finance : Construction Loan In # 4: 95% Out # 3 Interest: 6.00% var. Contribution Proportion: 100.00% Repayment Proportion: 100.00%			
46		Timed Contribution: Project		
47		Auto. Project Contribution	(13,765,318)	

WMATA-INV 016356

FOIA CONFIDENTIAL TREATMENT REQUESTED

	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
1	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
2	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
3																		
4																		
5																		
6																		
7																		
8																		
9	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(53,421)	(78,858)
10	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(53,421)	(78,858)
11																		
12																		
13																		
14																		
15																		
16																		
17																		
18																		
19																		
20																		
21																		
22																		
23																		
24																		
25	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(41,031)	
26	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(41,031)	
27																		
28																		
29																		
30																		
31	(283,530)	(290,092)	(296,654)	(303,216)	(309,777)	(409,755)	(454,296)	(498,836)	(543,376)	(587,916)	(632,457)	(767,242)	(818,063)	(868,885)	(919,707)	(973,127)	(1,014,158)	(1,014,158)
32	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(41,031)	
33	(283,530)	(290,092)	(296,654)	(303,216)	(309,777)	(409,755)	(454,296)	(498,836)	(543,376)	(587,916)	(632,457)	(767,242)	(818,063)	(868,885)	(919,707)	(973,127)	(1,014,158)	(1,014,158)
34																		
35																		
36																		
37																		
38																		
39																		
40																		
41																		
42																		
43																		
44																		
45																		
46																		
47																	(12,390)	(78,858)

WMATA-INV 016357

FOIA CONFIDENTIAL TREATMENT REQUESTED

	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM
1	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
2	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
3																	
4																	
5																	
6																	
7																	
8																	
9	(53,421)	(53,421)	(53,421)	(25,296)	(25,296)	(50,733)	(25,296)	(25,296)	(25,296)	(25,296)	(25,296)	(886,017)	(438,045)	(631,138)	(782,946)	(890,815)	(954,449)
10	(53,421)	(53,421)	(53,421)	(25,296)	(25,296)	(50,733)	(25,296)	(25,296)	(25,296)	(25,296)	(25,296)	(886,017)	(438,045)	(631,138)	(782,946)	(890,815)	(954,449)
11																	
12																	
13																	
14																	
15																	
16																	
17																	
18																	
19																	
20																	
21																	
22																	
23																	
24																	
25																	
26																	
27																	
28																	
29																	
30																	
31	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)
32																	
33	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)
34																	
35																	
36																	
37																	
38																	
39																	
40																	
41																	
42																	
43																	
44																	
45																	
46																	
47	(53,421)	(53,421)	(53,421)	(25,296)	(25,296)	(50,733)	(25,296)	(25,296)	(25,296)	(25,296)	(25,296)	(886,017)	(438,045)	(631,138)	(782,946)	(890,815)	(954,449)

WMATA-INV 016358

FOIA CONFIDENTIAL TREATMENT REQUESTED

	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC
1	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12
2	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52
3																
4																
5									30,374	30,374	30,374	30,374	30,374	30,374	126,287	126,287
6																
7																
8									30,374	30,374	30,374	30,374	30,374	30,374	126,287	126,287
9	(998,990)	(947,825)	(876,969)	(760,681)	(598,661)	(390,602)	(43,786)	(18,348)	(3,893,466)	(18,116)	(18,173)	(18,051)	(18,093)	(18,128)	(18,154)	(12,907)
10	(998,990)	(947,825)	(876,969)	(760,681)	(598,661)	(390,602)	(43,786)	(18,348)	(3,863,092)	12,258	12,200	12,323	12,280	12,246	108,132	113,380
11																
12																
13																
14																
15																
16									30,374	30,374	30,374	30,374	30,374	30,374	126,287	126,287
17																
18																
19																
20																
21																
22																
23																
24																
25																
26																
27																
28																
29																
30																
31	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)
32																
33	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)
34																
35																
36																
37																
38																
39																
40																
41																
42																
43																
44																
45																
46																
47	(998,990)	(947,825)	(876,969)	(760,681)	(598,661)	(390,602)	(43,786)	(18,348)	(3,893,466)	(18,116)	(18,173)	(18,051)	(18,093)	(18,128)	(18,154)	(12,907)

WMATA-INV 016359

FOIA CONFIDENTIAL TREATMENT REQUESTED

	BD	BE	BF	BG	BH	BI	BJ	BK	BL	BM	BN	BO	BP	BQ	BR	BS
1	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13
2	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68
3																
4																
5	126,287	126,287	126,287	126,287	130,075	130,075	130,075	130,075	130,075	130,075	130,075	130,075	130,075	130,075	130,075	130,075
6																
7																
8	126,287	126,287	126,287	126,287	130,075	130,075	130,075	130,075	130,075	130,075	130,075	130,075	130,075	130,075	130,075	130,075
9	(12,917)	(12,919)	(12,913)	(12,898)	(187,874)	(12,842)	(12,801)	(12,750)	(16,879)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)
10	113,370	113,368	113,374	113,389	(57,799)	117,234	117,275	117,325	113,197	113,325	113,325	113,325	113,325	113,325	113,325	113,325
11					16,278,016											
12						(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)
13					706,281	32,481	32,481	32,481	32,481	32,481	32,481	32,481	32,481	32,481	32,481	32,481
14					(706,281)	(32,481)	(32,481)	(32,481)	(32,481)	(32,481)	(32,481)	(32,481)	(32,481)	(32,481)	(32,481)	(32,481)
15																
16	126,287	126,287	126,287	126,287	16,408,092	32,481	32,481	32,481	32,481	32,481	32,481	32,481	32,481	32,481	32,481	32,481
17																
18					518,406	19,639	19,680	19,730	15,602	15,730	15,730	15,730	15,730	15,730	15,730	15,730
19					518,406	19,639	19,680	19,730	15,602	15,730	15,730	15,730	15,730	15,730	15,730	15,730
20																
21																
22					518,406	19,639	19,680	19,730	15,602	15,730	15,730	15,730	15,730	15,730	15,730	15,730
23																
24																
25																
26																
27																
28																
29					1,014,158											
30					1,014,158											
31	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)												
32					1,014,158											
33	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)												
34																
35																
36																
37																
38																
39																
40																
41																
42																
43																
44																
45																
46																
47	(12,917)	(12,919)	(12,913)	(12,898)												

WMATA-INV 016360

FOIA CONFIDENTIAL TREATMENT REQUESTED

	BT	BU	BV	BW	BX	BY	BZ	CA	CB	CC	CD	CE	CF	CG	CH	CI	CJ
1	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14
2	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85
3																	
4																	
5	133,978	133,978	133,978	133,978	133,978	133,978	133,978	133,978	133,978	133,978	133,978	133,978	137,997	137,997	137,997	137,997	137,997
6																	
7																	
8	133,978	133,978	133,978	133,978	133,978	133,978	133,978	133,978	133,978	133,978	133,978	133,978	137,997	137,997	137,997	137,997	137,997
9	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)
10	117,227	117,227	117,227	117,227	117,227	117,227	117,227	117,227	117,227	117,227	117,227	117,227	121,247	121,247	121,247	121,247	121,247
11																	
12	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)
13	36,383	36,383	36,383	36,383	36,383	36,383	36,383	36,383	36,383	36,383	36,383	36,383	40,402	40,402	40,402	40,402	40,402
14	(36,383)	(36,383)	(36,383)	(36,383)	(36,383)	(36,383)	(36,383)	(36,383)	(36,383)	(36,383)	(36,383)	(36,383)	(40,402)	(40,402)	(40,402)	(40,402)	(40,402)
15																	
16	36,383	36,383	36,383	36,383	36,383	36,383	36,383	36,383	36,383	36,383	36,383	36,383	40,402	40,402	40,402	40,402	40,402
17																	
18	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	23,652	23,652	23,652	23,652	23,652
19	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	23,652	23,652	23,652	23,652	23,652
20																	
21																	
22	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	23,652	23,652	23,652	23,652	23,652
23																	
24																	
25																	
26																	
27																	
28																	
29																	
30																	
31																	
32																	
33																	
34																	
35																	
36																	
37																	
38																	
39																	
40																	
41																	
42																	
43																	
44																	
45																	
46																	
47																	

WMATA-INV 016361

	CK	CL	CM	CN	CO	CP	CQ	CR	CS	CT	CU	CV	CW	CX	CY	CZ	DA
1	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
2	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102
3																	
4																	
5	137,997	137,997	137,997	137,997	137,997	137,997	137,997	142,137	142,137	142,137	142,137	142,137	142,137	142,137	142,137	142,137	142,137
6																	
7																	
8	137,997	137,997	137,997	137,997	137,997	137,997	137,997	142,137	142,137	142,137	142,137	142,137	142,137	142,137	142,137	142,137	142,137
9	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)
10	121,247	121,247	121,247	121,247	121,247	121,247	121,247	125,387	125,387	125,387	125,387	125,387	125,387	125,387	125,387	125,387	125,387
11																	
12	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)
13	40,402	40,402	40,402	40,402	40,402	40,402	40,402	44,542	44,542	44,542	44,542	44,542	44,542	44,542	44,542	44,542	44,542
14	(40,402)	(40,402)	(40,402)	(40,402)	(40,402)	(40,402)	(40,402)	(44,542)	(44,542)	(44,542)	(44,542)	(44,542)	(44,542)	(44,542)	(44,542)	(44,542)	(44,542)
15																	
16	40,402	40,402	40,402	40,402	40,402	40,402	40,402	44,542	44,542	44,542	44,542	44,542	44,542	44,542	44,542	44,542	44,542
17																	
18	23,652	23,652	23,652	23,652	23,652	23,652	23,652	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792
19	23,652	23,652	23,652	23,652	23,652	23,652	23,652	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792
20																	
21																	
22	23,652	23,652	23,652	23,652	23,652	23,652	23,652	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792
23																	
24																	
25																	
26																	
27																	
28																	
29																	
30																	
31																	
32																	
33																	
34																	
35																	
36																	
37																	
38																	
39																	
40																	
41																	
42																	
43																	
44																	
45																	
46																	
47																	

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016362

FOIA CONFIDENTIAL TREATMENT REQUESTED

	DB	DC	DD	DE	DF	DG	DH	DI	DJ	DK	DL	DM	DN	DO	DP	DQ	DR
1	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17
2	103	104	105	106	107	108	109	110	111	112	113	114	115	118	117	118	119
3																	
4																	
5	142,137	142,137	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	150,793	150,793	150,793
6																	
7																	
8	142,137	142,137	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	150,793	150,793	150,793
9	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)
10	125,387	125,387	129,651	129,651	129,651	129,651	129,651	129,651	129,651	129,651	129,651	129,651	129,651	129,651	134,043	134,043	134,043
11																	
12	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)
13	44,542	44,542	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	53,198	53,198	53,198
14	(44,542)	(44,542)	(48,806)	(48,806)	(48,806)	(48,806)	(48,806)	(48,806)	(48,806)	(48,806)	(48,806)	(48,806)	(48,806)	(48,806)	(53,198)	(53,198)	(53,198)
15																	
16	44,542	44,542	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	53,198	53,198	53,198
17																	
18	27,792	27,792	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	36,448	36,448	36,448
19	27,792	27,792	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	36,448	36,448	36,448
20																	
21																	
22	27,792	27,792	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	36,448	36,448	36,448
23																	
24																	
25																	
26																	
27																	
28																	
29																	
30																	
31																	
32																	
33																	
34																	
35																	
36																	
37																	
38																	
39																	
40																	
41																	
42																	
43																	
44																	
45																	
46																	
47																	

WMATA-INV 016363

FOIA CONFIDENTIAL TREATMENT REQUESTED

	DS
1	Sep-17
2	120
3	
4	
5	
6	27,838,730
7	
8	27,838,730
9	(4,289,012)
10	23,549,718
11	
12	(15,179,096)
13	12,659,634
14	(12,659,634)
15	
16	12,659,634
17	
18	8,370,622
19	8,370,622
20	
21	
22	8,370,622
23	
24	
25	
26	
27	
28	
29	
30	
31	
32	
33	
34	
35	
36	
37	
38	
39	
40	
41	
42	
43	
44	
45	
46	
47	

WMATA-INV 016364

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D
48		Total Contribution	(13,765,318)	
49		Fixed Amount Loan Fees	(100,000)	
50		% Loan Fees	(452,261)	
51		Total Loan Fees	(552,261)	
52		Interest and Fees	(1,862,298)	
53		Timed Repayment: Project		
54		Auto. Repayment	15,627,616	
55		Total Repayment	15,627,616	
56		Closing Balance		
57		Net Cash Flow (IRR)		
58		Cumulative Net Cash Flow		
59	Finance : Mortgage IRR: 6.2% Annual Int. Rate/Comp: 6.00%/Monthly Annual Payment(P+I): $1,171,139 DS Ratio: 1.33 Initial Loan/Value Ratio: 0.73			
60		Opening Balance		
61		Interest	4,951,966	
62		Principal Repaid	16,278,016	
63		Total P+I Payment	21,229,982	
64		Closing Balance		
65		Net Cash Flow (IRR)	4,951,966	
66	Finance : Balancing Account Project IRR: 0.0%			
67		Timed Contribution		
68		Timed Contribution: Profit		
69		Total Contribution		
70		Interest		
71		Timed Repayment: Profit		
72		Total Repayment		
73		Closing Balance		
74		Profit Distribution		
75		Profit Participation		
76		Net Cash Flow (IRR)		
77		Cumulative Net Cash Flow		
78	Finance : Combined Sources Project IRR: 16.7%			
79		Auto. Project Contribution	(14,779,476)	(276,968)
80		Timed Contribution: Project		
81		Total Contribution	(14,779,476)	(276,968)
82		Loan Fees	(552,261)	
83		Non-Mortgage Interest and Fees	(1,862,298)	
84		Auto. Repayment	16,641,774	
85		Timed Repayment: Project		
86		Total Repayment	16,641,774	
87		Closing Balance		(276,968)
88		Profit Participation	10,420,716	
89		Net Cash Flow (IRR)	10,420,716	(276,968)
90		Net Cash Flow (Equity IRR)	10,420,716	(276,968)
91		Net Finance Cash Flow		
92		Cumulative Net Cash Flow		(276,968)

WMATA-INV 016365

FOIA CONFIDENTIAL TREATMENT REQUESTED

	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
48																	(12,390)	(78,858)
49						(100,000)												
50						(452,261)												
51						(552,261)												
52						(552,261)												(62)
53																		
54																		
55																		
56						(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(564,651)	(643,571)
57						(552,261)											(12,390)	(78,920)
58						(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(564,651)	(643,571)
59																		
60																		
61																		
62																		
63																		
64																		
65																		
66																		
67																		
68																		
69																		
70																		
71																		
72																		
73																		
74																		
75																		
76																		
77																		
78																		
79	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(53,421)	(78,858)
80																		
81	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(53,421)	(78,858)
82						(552,261)												
83						(552,261)												(62)
84																		
85																		
86																		
87	(283,530)	(290,092)	(296,654)	(303,216)	(309,777)	(962,016)	(1,006,556)	(1,051,096)	(1,095,637)	(1,140,177)	(1,184,717)	(1,319,503)	(1,370,324)	(1,421,146)	(1,471,967)	(1,525,388)	(1,578,808)	(1,657,728)
88																		
89	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(652,238)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(53,421)	(78,920)
90	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(41,031)	
91																		
92	(283,530)	(290,092)	(296,654)	(303,216)	(309,777)	(962,016)	(1,006,556)	(1,051,096)	(1,095,637)	(1,140,177)	(1,184,717)	(1,319,503)	(1,370,324)	(1,421,146)	(1,471,967)	(1,525,388)	(1,578,808)	(1,657,728)

WMATA-INV 016366

FOIA CONFIDENTIAL TREATMENT REQUESTED

	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM
48	(53,421)	(53,421)	(53,421)	(25,296)	(25,296)	(50,733)	(25,296)	(25,296)	(25,296)	(25,296)	(25,296)	(886,017)	(438,045)	(631,138)	(782,946)	(890,815)	(954,449)
49																	
50																	
51																	
52	(457)	(726)	(997)	(1,269)	(1,402)	(1,535)	(1,796)	(1,932)	(2,068)	(2,205)	(2,342)	(2,481)	(6,923)	(9,148)	(12,349)	(16,326)	(20,861)
53																	
54																	
55																	
56	(697,448)	(751,594)	(806,011)	(832,576)	(859,273)	(911,541)	(938,633)	(965,860)	(993,224)	(1,020,724)	(1,048,362)	(1,936,859)	(2,381,827)	(3,022,114)	(3,817,409)	(4,724,550)	(5,699,861)
57	(53,877)	(54,146)	(54,417)	(26,564)	(26,697)	(52,268)	(27,092)	(27,227)	(27,364)	(27,500)	(27,638)	(888,498)	(444,968)	(640,286)	(795,296)	(907,141)	(975,311)
58	(697,448)	(751,594)	(806,011)	(832,576)	(859,273)	(911,541)	(938,633)	(965,860)	(993,224)	(1,020,724)	(1,048,362)	(1,936,859)	(2,381,827)	(3,022,114)	(3,817,409)	(4,724,550)	(5,699,861)
59																	
60																	
61																	
62																	
63																	
64																	
65																	
66																	
67																	
68																	
69																	
70																	
71																	
72																	
73																	
74																	
75																	
76																	
77																	
78																	
79	(53,421)	(53,421)	(53,421)	(25,296)	(25,296)	(50,733)	(25,296)	(25,296)	(25,296)	(25,296)	(25,296)	(886,017)	(438,045)	(631,138)	(782,946)	(890,815)	(954,449)
80																	
81	(53,421)	(53,421)	(53,421)	(25,296)	(25,296)	(50,733)	(25,296)	(25,296)	(25,296)	(25,296)	(25,296)	(886,017)	(438,045)	(631,138)	(782,946)	(890,815)	(954,449)
82																	
83	(457)	(726)	(997)	(1,269)	(1,402)	(1,535)	(1,796)	(1,932)	(2,068)	(2,205)	(2,342)	(2,481)	(6,923)	(9,148)	(12,349)	(16,326)	(20,861)
84																	
85																	
86																	
87	(1,711,605)	(1,765,752)	(1,820,169)	(1,846,733)	(1,873,430)	(1,925,698)	(1,952,790)	(1,980,018)	(2,007,381)	(2,034,882)	(2,062,519)	(2,951,017)	(3,395,985)	(4,036,271)	(4,831,567)	(5,738,708)	(6,714,018)
88																	
89	(53,877)	(54,146)	(54,417)	(26,564)	(26,697)	(52,268)	(27,092)	(27,227)	(27,364)	(27,500)	(27,638)	(888,498)	(444,968)	(640,286)	(795,296)	(907,141)	(975,311)
90																	
91																	
92	(1,711,605)	(1,765,752)	(1,820,169)	(1,846,733)	(1,873,430)	(1,925,698)	(1,952,790)	(1,980,018)	(2,007,381)	(2,034,882)	(2,062,519)	(2,951,017)	(3,395,985)	(4,036,271)	(4,831,567)	(5,738,708)	(6,714,018)

WMATA-INV 016367

FOIA CONFIDENTIAL TREATMENT REQUESTED

	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC
48	(998,990)	(947,825)	(876,969)	(760,681)	(598,661)	(390,602)	(43,786)	(18,348)	(3,893,466)	(18,116)	(18,173)	(18,051)	(18,093)	(18,128)	(18,154)	(12,907)
49																
50																
51																
52	(25,738)	(30,862)	(35,755)	(40,319)	(44,324)	(47,539)	(49,729)	(50,197)	(50,540)	(70,108)	(70,397)	(70,688)	(70,980)	(71,273)	(71,568)	(71,386)
53																
54									30,374	30,374	30,374	30,374	30,374	30,374	126,287	126,287
55									30,374	30,374	30,374	30,374	30,374	30,374	126,287	126,287
56	(6,724,588)	(7,703,275)	(8,615,999)	(9,416,999)	(10,059,983)	(10,498,124)	(10,591,639)	(10,660,185)	(14,573,816)	(14,631,666)	(14,689,863)	(14,748,228)	(14,806,928)	(14,865,956)	(14,829,392)	(14,787,397)
57	(1,024,728)	(978,687)	(912,724)	(801,000)	(642,984)	(438,141)	(93,515)	(68,545)	(3,913,632)	(57,850)	(58,197)	(58,366)	(58,700)	(59,028)	36,564	41,995
58	(6,724,588)	(7,703,275)	(8,615,999)	(9,416,999)	(10,059,983)	(10,498,124)	(10,591,639)	(10,660,185)	(14,573,816)	(14,631,666)	(14,689,863)	(14,748,228)	(14,806,928)	(14,865,956)	(14,829,392)	(14,787,397)
59																
60																
61																
62																
63																
64																
65																
66																
67																
68																
69																
70																
71																
72																
73																
74																
75																
76																
77																
78																
79	(998,990)	(947,825)	(876,969)	(760,681)	(598,661)	(390,602)	(43,786)	(18,348)	(3,893,466)	(18,116)	(18,173)	(18,051)	(18,093)	(18,128)	(18,154)	(12,907)
80																
81	(998,990)	(947,825)	(876,969)	(760,681)	(598,661)	(390,602)	(43,786)	(18,348)	(3,893,466)	(18,116)	(18,173)	(18,051)	(18,093)	(18,128)	(18,154)	(12,907)
82																
83	(25,738)	(30,862)	(35,755)	(40,319)	(44,324)	(47,539)	(49,729)	(50,197)	(50,540)	(70,108)	(70,397)	(70,688)	(70,980)	(71,273)	(71,568)	(71,386)
84									30,374	30,374	30,374	30,374	30,374	30,374	126,287	126,287
85																
86									30,374	30,374	30,374	30,374	30,374	30,374	126,287	126,287
87	(7,738,746)	(8,717,433)	(9,630,157)	(10,431,157)	(11,074,141)	(11,512,282)	(11,605,797)	(11,674,342)	(15,587,974)	(15,645,824)	(15,704,020)	(15,762,386)	(15,821,086)	(15,880,113)	(15,843,549)	(15,801,555)
88																
89	(1,024,728)	(978,687)	(912,724)	(801,000)	(642,984)	(438,141)	(93,515)	(68,545)	(3,913,632)	(57,850)	(58,197)	(58,366)	(58,700)	(59,028)	36,564	41,995
90																
91																
92	(7,738,746)	(8,717,433)	(9,630,157)	(10,431,157)	(11,074,141)	(11,512,282)	(11,605,797)	(11,674,342)	(15,587,974)	(15,645,824)	(15,704,020)	(15,762,386)	(15,821,086)	(15,880,113)	(15,843,549)	(15,801,555)

WMATA-INV 016368

FOIA CONFIDENTIAL TREATMENT REQUESTED

	BD	BE	BF	BG	BH	BI	BJ	BK	BL	BM	BN	BO	BP	BQ	BR	BS
48	(12,917)	(12,919)	(12,913)	(12,898)												
49																
50																
51																
52	(71,176)	(70,965)	(70,753)	(70,540)	(70,325)											
53																
54	126,287	126,287	126,287	126,287	14,687,653											
55	126,287	126,287	126,287	126,287	14,687,653											
56	(14,745,203)	(14,702,799)	(14,660,178)	(14,617,328)												
57	42,194	42,403	42,622	42,850	14,617,328											
58	(14,745,203)	(14,702,799)	(14,660,178)	(14,617,328)												
59																
60					16,278,016	16,278,016	16,261,811	16,245,525	16,229,158	16,212,709	16,196,178	16,179,564	16,162,866	16,146,086	16,129,221	16,112,273
61						81,390	81,309	81,228	81,146	81,064	80,981	80,898	80,814	80,730	80,646	80,561
62						16,205	16,286	16,367	16,449	16,531	16,614	16,697	16,781	16,865	16,949	17,034
63						97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595
64					16,278,016	16,261,811	16,245,525	16,229,158	16,212,709	16,196,178	16,179,564	16,162,866	16,146,086	16,129,221	16,112,273	16,095,239
65					(16,278,016)	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595
66																
67																
68																
69																
70																
71																
72																
73																
74																
75																
76																
77																
78																
79	(12,917)	(12,919)	(12,913)	(12,898)												
80																
81	(12,917)	(12,919)	(12,913)	(12,898)												
82																
83	(71,176)	(70,965)	(70,753)	(70,540)	(70,325)											
84	126,287	126,287	126,287	126,287	15,701,811											
85																
86	126,287	126,287	126,287	126,287	15,701,811											
87	(15,759,360)	(15,716,957)	(15,674,335)	(15,631,486)												
88					518,406	19,639	19,680	19,730	15,602	15,730	15,730	15,730	15,730	15,730	15,730	15,730
89	42,194	42,403	42,622	42,850	16,149,892	19,639	19,680	19,730	15,602	15,730	15,730	15,730	15,730	15,730	15,730	15,730
90					1,532,564	19,639	19,680	19,730	15,602	15,730	15,730	15,730	15,730	15,730	15,730	15,730
91																
92	(15,759,360)	(15,716,957)	(15,674,335)	(15,631,486)	518,406	538,045	557,725	577,455	593,057	608,787	624,518	640,248	655,978	671,708	687,438	703,169

FOIA CONFIDENTIAL TREATMENT REQUESTED

	BT	BU	BV	BW	BX	BY	BZ	CA	CB	CC	CD	CE	CF	CG	CH	CI	CJ
48																	
49																	
50																	
51																	
52																	
53																	
54																	
55																	
56																	
57																	
58																	
59																	
60	16,095,239	16,078,120	16,060,916	16,043,626	16,026,249	16,008,785	15,991,234	15,973,595	15,955,868	15,938,053	15,920,148	15,902,154	15,884,070	15,865,895	15,847,630	15,829,273	15,810,824
61	80,476	80,391	80,305	80,218	80,131	80,044	79,956	79,868	79,779	79,690	79,601	79,511	79,420	79,329	79,238	79,146	79,054
62	17,119	17,204	17,290	17,377	17,464	17,551	17,639	17,727	17,816	17,905	17,994	18,084	18,175	18,265	18,357	18,449	18,541
63	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595
64	16,078,120	16,060,916	16,043,626	16,026,249	16,008,785	15,991,234	15,973,595	15,955,868	15,938,053	15,920,148	15,902,154	15,884,070	15,865,895	15,847,630	15,829,273	15,810,824	15,792,284
65	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595
66																	
67																	
68																	
69																	
70																	
71																	
72																	
73																	
74																	
75																	
76																	
77																	
78																	
79																	
80																	
81																	
82																	
83																	
84																	
85																	
86																	
87																	
88	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	23,652	23,652	23,652	23,652	23,652
89	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	23,652	23,652	23,652	23,652	23,652
90	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	23,652	23,652	23,652	23,652	23,652
91																	
92	722,801	742,433	762,066	781,698	801,331	820,963	840,596	860,228	879,861	899,493	919,126	938,758	962,410	986,062	1,009,714	1,033,365	1,057,017

FOIA CONFIDENTIAL TREATMENT REQUESTED

	CK	CL	CM	CN	CO	CP	CQ	CR	CS	CT	CU	CV	CW	CX	CY	CZ	DA
48																	
49																	
50																	
51																	
52																	
53																	
54																	
55																	
56																	
57																	
58																	
59																	
60	15,792,284	15,773,650	15,754,923	15,736,103	15,717,189	15,698,180	15,679,076	15,659,876	15,640,580	15,621,188	15,601,699	15,582,113	15,562,429	15,542,646	15,522,764	15,502,783	15,482,702
61	78,961	78,868	78,775	78,681	78,586	78,491	78,395	78,299	78,203	78,106	76,008	77,911	77,812	77,713	77,614	77,514	77,414
62	18,634	18,727	18,820	18,914	19,009	19,104	19,200	19,296	19,392	19,489	19,586	19,684	19,783	19,882	19,981	20,081	20,181
63	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595
64	15,773,650	15,754,923	15,736,103	15,717,189	15,698,180	15,679,076	15,659,876	15,640,580	15,621,188	15,601,699	15,582,113	15,562,429	15,542,646	15,522,764	15,502,783	15,482,702	15,462,521
65	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595
66																	
67																	
68																	
69																	
70																	
71																	
72																	
73																	
74																	
75																	
76																	
77																	
78																	
79																	
80																	
81																	
82																	
83																	
84																	
85																	
86																	
87																	
88	23,652	23,652	23,652	23,652	23,652	23,652	23,652	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792
89	23,652	23,652	23,652	23,652	23,652	23,652	23,652	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792
90	23,652	23,652	23,652	23,652	23,652	23,652	23,652	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792
91																	
92	1,080,669	1,104,321	1,127,973	1,151,624	1,175,276	1,198,928	1,222,580	1,250,372	1,278,163	1,305,955	1,333,747	1,361,538	1,389,330	1,417,122	1,444,914	1,472,705	1,500,497

WMATA-INV 016371

FOIA CONFIDENTIAL TREATMENT REQUESTED

	DB	DC	DD	DE	DF	DG	DH	DI	DJ	DK	DL	DM	DN	DO	DP	DQ	DR
48																	
49																	
50																	
51																	
52																	
53																	
54																	
55																	
56																	
57																	
58																	
59																	
60	15,462,521	15,442,238	15,421,855	15,401,369	15,380,781	15,360,090	15,339,295	15,318,397	15,297,394	15,276,286	15,255,072	15,233,753	15,212,327	15,190,793	15,169,152	15,147,403	15,125,545
61	77,313	77,211	77,109	77,007	76,904	76,800	76,696	76,592	76,487	76,381	76,275	76,169	76,062	75,954	75,846	75,737	75,628
62	20,282	20,384	20,486	20,588	20,691	20,794	20,898	21,003	21,108	21,214	21,320	21,426	21,533	21,641	21,749	21,858	21,967
63	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595
64	15,442,238	15,421,855	15,401,369	15,380,781	15,360,090	15,339,295	15,318,397	15,297,394	15,276,286	15,255,072	15,233,753	15,212,327	15,190,793	15,169,152	15,147,403	15,125,545	15,103,578
65	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595
66																	
67																	
68																	
69																	
70																	
71																	
72																	
73																	
74																	
75																	
76																	
77																	
78																	
79																	
80																	
81																	
82																	
83																	
84																	
85																	
86																	
87																	
88	27,792	27,792	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	36,448	36,448	36,448
89	27,792	27,792	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	36,448	36,448	36,448
90	27,792	27,792	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	36,448	36,448	38,448
91																	
92	1,528,289	1,556,080	1,588,136	1,620,192	1,652,248	1,684,304	1,716,359	1,748,415	1,780,471	1,812,527	1,844,583	1,876,639	1,908,694	1,940,750	1,977,198	2,013,646	2,050,094

FOIA CONFIDENTIAL TREATMENT REQUESTED

	DS
48	
49	
50	
51	
52	
53	
54	
55	
56	
57	
58	
59	
60	15,103,578
61	75,518
62	15,103,578
63	15,179,096
64	0
65	15,179,096
66	
67	
68	
69	
70	
71	
72	
73	
74	
75	
76	
77	
78	
79	
80	
81	
82	
83	
84	
85	
86	
87	
88	8,370,622
89	8,370,622
90	8,370,622
91	
92	10,420,716

WMATA-INV 016373

From: Robb LaKritz [robb@lakritzadler.com]
Sent: Wednesday, August 13, 2008 1:44:14 AM
To: Josh Adler
Subject: Read: CONFIDENTIAL: 1920 8th Street Ground Lease

Your message

> **To:** **okarim@bannekerventures.com**
> **Subject:** **CONFIDENTIAL: 1920 8th Street Ground Lease**
> **Sent:** **6/17/2008 3:41 PM**

was read on 8/13/2008 1:40 AM

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, September 4, 2008 2:38 PM
To: robb@lakritzadler.com
Subject: 8th st LOI
Attach: Banneker 1920 8th LOI 9-5-08.doc

LAKRITZ | ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

LAKRITZ | ADLER
real estate development

September 5, 2008

NON-BINDING LETTER OF INTENT

Omar A. Karim
Banneker Ventures, LLC
700 12th Street, NW, Suite 700
Washington, DC 20005

Dear Omar:

This non-binding Letter of Intent is an outline of the general terms and conditions to be more particularly described and detailed in a formal Purchase and Sale Agreement by and between **Banneker Ventures, LLC** hereinafter referred to as **"Purchaser"** and **1920 8th Street, LLC,** hereinafter referred to as **"Seller"** whereby Purchaser shall agree to buy and Seller shall agree to sell the entity and assets collectively known as 1920 8th Street, LLC, hereinafter referred to as the **"Property"**.

1. Seller:

The Seller of the Property is 1920 8th Street, LLC, a Delaware Limited Liability Company.

2. Purchaser:

The Purchaser of the Property is Banneker Ventures, LLC, a _____ Limited Liability Company.

3. Property Description:

The property is a Delaware Limited Liability Company known as 1920 8th Street, LLC, which holds a ground lease and purchase option ("Ground Lease") to an approximately 11,320 square foot vacant lot known as Square 393, Lot 46, also known as 1916-1930 8th Street, NW, Washington, DC, zoned C-2-B Arts Overlay.

The Ground Lease contains the following essential terms:

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

- Medal, Inc., as Landlord and 1920 8th Street, LLC, as Tenant.
- Commenced August 3, 2007, with a one year base term and nine one-year renewal options
- Ground Rent of $225,000/year in the first year, $150,000/year for renewal terms 1-4, and $200,000/year for renewal terms 5-9.
- Purchase option exercisable at any time during base term and renewals. Exercise price of $4,800,000 in the base term, increasing by 1.5% in each of the first three renewal terms and then remaining fixed at $5,019,256.20 for the remainder of the renewal terms.
- $100,000 of ground rent, once paid, credited toward the purchase option in the base term and in each of the first two renewal terms, with 100% of ground rent paid following the second renewal term and in every renewal term thereafter credited toward the option price. Therefore the purchase option balance due at the end of the last renewal term (that is, on August 3, 2017) shall be $3,419,256.20.
- A one time fee of $175,000 payable to Landlord for resubordination of Landlord's fee interest in land to Tenant's permanent financing lender (if such lender is different from Tenant's construction lender), to be paid upon the sooner of: 1) resubordination of Landlord fee interest to new lender following substantial completion of project, or 2) upon exercise of purchase option.
- Landlord is obliged under the ground lease to subordinate its unencumbered fee interest in the Property to Tenant's Lender, meaning that Tenant has full use of the land value of the Property as collateral to secure its construction financing and any other financing through the end of the final renewal term.
- Ground Lease is freely assignable by Tenant without consent of Landlord.

A copy of the complete Ground Lease follows this LOI.

4. Purchase Price:

One Million Five Hundred Thousand Dollars ($1,500,000).

5. Deposit:

Upon execution of a Purchase and Sale Agreement, Purchaser shall deposit Fifty Thousand Dollars ($50,000) to be held in escrow by Regional Title Corp., Washington, DC, or another mutually acceptable title company ("Escrow Agent"), in an interest bearing account ("Deposit"). Any and all deposit monies shall be credited against the Purchase Price at closing. Upon removal of the General Due Diligence Period by Purchaser, Deposit shall be deemed nonrefundable and earned by Seller and shall be released by Escrow Agent to Seller.

6. General Due Diligence Period:

Purchaser shall have a period of Thirty (30) days following the date of execution of the Purchase and Sale Agreement ("General Due Diligence Period") to perform its due diligence investigation of the Property and the Ground Lease. If, prior to the expiration of the Due Diligence Period, Purchaser determines in its sole discretion not to purchase the Property, then Purchaser shall have the right to terminate the Purchase Agreement, whereupon the Deposit shall be promptly returned to Purchaser, and Purchaser shall provide to Seller copies and assignment of all due diligence related reports obtained by or provided to Purchaser. No later than five (5) business days after the execution of the Purchase Agreement, Seller will provide to Purchaser (or make available for inspection by Buyer) copies of all materials in Seller's possession or under Seller's control with respect to the Property (including, without limitation, any and all documents; environmental studies and reports; title commitments, reports and/or policies; surveys; plans and specifications; architectural and engineering documents and data; and reports, permits, licenses, and zoning documents) (collectively, the "Due Diligence Materials").

7. Settlement:

The Purchase Price is based on settlement of the Property. Settlement shall occur not later than December 31, 2009, time of the essence, or a sooner date with the mutual consent of the Purchaser and Seller. Any cost to Seller of delay of settlement by fault of the Purchaser shall be reimbursed concurrently by Purchaser to Seller, including any ground rent and other carry costs paid or incurred by Seller during the period between the original settlement date and the actual date of settlement.

8. Ground Lease Carry Cost:

Purchaser shall be responsible for all Ground Rent and property taxes payable by Tenant under the Ground Lease from the date that the General Due Diligence Period is removed by Purchaser until Settlement occurs, commencing retroactively to the first day of the month in which the General Due Diligence Period is removed by Purchaser ("Contract Period"). During Contract Period, Purchaser shall make any and all payments due by Tenant under Ground Lease to Escrow Agent when such payments are due under the Ground Lease, time of the essence, and Escrow Agent shall immediately disburse such payments to Landlord, with prompt written notice to Seller of such disbursements. If Purchaser fails to make any payment required by Ground Lease during the contract period by the close of business on the date such payment is due, Seller shall have the right to cure any anticipated default on Ground Lease by making payment to Escrow Agent or directly to Landlord, and Purchaser shall be deemed in default and shall have no further right or claim with respect to the property in law or equity.

9. Purchaser Default:

In addition to customary Purchaser default conditions for a commercial real estate purchase contract in Washington, D.C., Purchase Contract shall include the following

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

conditions under which Purchaser shall be called immediately in default, deposit liquidated in favor of Seller, with no further right or claim by Purchaser on the Property:

a. Purchaser fails to make timely payment of Ground Lease carry costs, per its obligation under Paragraph 8.

b. Purchaser is notified by Washington Metropolitan Area Transit Authority (WMATA) that Purchaser (or an affiliate or subsidiary of Purchaser or substantially controlled by Omar Karim and or Warren Williams) is no longer the "designated developer" with respect to WMATA Parcel Square 393 Lot 45 adjacent to the Property. Purchaser shall have an affirmative obligation to notify Seller of any such notice from WMATA, oral or written.

10. Additional Representations of Seller:

The Property is sold As-Is, Where-Is. Seller represents and warrants that as of the date of the Purchaser's removal of the General Due Diligence Period, Tenant shall be in good standing with respect to Ground Lease, and Ground Lease shall be in full force and effect.

11. Additional Obligations of Purchaser:

Purchaser shall promptly inform Seller of any material change, favorable or unfavorable, with respect to Purchaser's negotiations with WMATA for acquisition and development of the WMATA parcel adjacent to the Property, including material developments pertaining to current or potential joint venture partners and equity and debt financing sources for the proposed project on the WMATA parcel.

12. Broker Commission:

Neither Buyer nor Seller is represented by a broker.

13. Assignment:

Purchase Contract shall not be assigned without consent of Seller in its sole discretion, except to an entity substantially controlled by Banneker Ventures, LLC, or Omar Karim and/or Warren Williams individually.

14. Confidentiality:

Unless and until Closing shall occur, Purchaser agrees to keep the existence of and terms and conditions of this Letter of Intent, and all Due Diligence Materials, confidential to themselves and their affiliates, and will not disclose the same except to its attorneys, accountants, lenders and prospective lenders, agents, consultants and advisors involved in

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

the transaction and architects, engineers and other professionals or independent contractors who or which may be engaged to assist in or perform due diligence activities with respect to the Property. If the Purchase Agreement is not entered into or is terminated, Purchaser agrees to return a copy of all Due Diligence Materials to Seller including any Due Diligence Materials created by Purchaser or its agents. This Paragraph shall survive any termination or expiration of this Letter of Intent.

This offer will be held open until close of business on September 19, 2008. If the terms of this Letter of Intent are satisfactory to Purchaser, we request that you execute a copy of this Letter of Intent in the appropriate space provided below and return a signed copy to us by such date. Following execution of this Letter of Intent, Seller will immediately commence drafting of the Purchase Agreement for delivery to Purchaser within ten business days.

Sincerely,

Joshua Adler
Co-Managing Member

AGREED AND ACCEPTED:

Banneker Ventures, LLC	**1920 8th Street, LLC**
By:_____	**By:**_____
Its:_____	**Its:**_____
Date:_____	**Date:**_____

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Thursday, September 4, 2008 3:18 PM
To: 'Josh Adler' <josh@lakritzadler.com>
Subject: 1920 8th St.

I'm updating my task list, did we get Arts Credit Contract signed?

LAKRITZ | ADLER

4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809
www.lakritzadler.com

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, September 4, 2008 3:31 PM
To: 'robb@lakritzadler.com'
Subject: RE: 1920 8th St.

No, I owe them our response to their mark-up. I said I'd get it to them by tomorrow.

From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Thursday, September 04, 2008 3:18 PM
To: 'Josh Adler'
Subject: 1920 8th St.

I'm updating my task list, did we get Arts Credit Contract signed?

LAKRITZ | ADLER

4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809
www.lakritzadler.com

From: Omar A. Karim <okarim@bannekerventures.com>
Sent: Friday, September 5, 2008 12:55 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: Delivered: RE: CONFIDENTIAL: 1920 8th Street Offer REVISED
Attach: details.txt

Your message was delivered to the recipient.

Original-Message-ID:24320
Final-Recipient:okarim@bannekerventures.com
Action:Delivered

From: Omar A. Karim [okarim@bannekerventures.com]
Sent: Friday, September 05, 2008 4:06:04 PM
To: Josh Adler
Subject: Read: CONFIDENTIAL: 1920 8th Street Offer REVISED

Your message

To: okarim@bannekerventures.com
Subject: RE: CONFIDENTIAL: 1920 8th Street Offer REVISED
Sent: 9/5/2008 12:46 PM

was read on 9/5/2008 4:05 PM.

From: Josh Adler <josh@lakritzadler.com>
Sent: Friday, September 5, 2008 3:07 PM
To: 'robb@lakritzadler.com'
Subject: 1920 8th
Attach: Banneker 1920 8th LOI 9-5-08 FINAL.doc

FYI, sent this to Omar.

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

LAKRITZ | ADLER
real estate development

September 5, 2008

NON-BINDING LETTER OF INTENT

Omar A. Karim
Banneker Ventures, LLC
700 12th Street, NW, Suite 700
Washington, DC 20005

Dear Omar:

This non-binding Letter of Intent is an outline of the general terms and conditions to be more particularly described and detailed in a formal Purchase and Sale Agreement by and between **Banneker Ventures, LLC** hereinafter referred to as **"Purchaser"** and the owners of the membership interests in **1920 8th Street, LLC,** hereinafter collectively referred to as **"Seller"** whereby Purchaser shall agree to buy and Seller shall agree to sell 100% of the membership interests in 1920 8th Street, LLC, hereinafter referred to as the **"Property"**.

1. Seller:

The Seller of the Property shall be the owners of 100% of the membership interests in 1920 8th Street, LLC, a Delaware Limited Liability Company.

2. Purchaser:

The Purchaser of the Property is Banneker Ventures, LLC, a _____ Limited Liability Company.

3. Property Description:

The property is a Delaware Limited Liability Company known as 1920 8th Street, LLC (the "Tenant"), which holds a ground lease and purchase option ("Ground Lease") to an approximately 11,320 square foot vacant lot known as Square 393, Lot 46, also known as 1916-1930 8th Street, NW, Washington, DC, zoned C-2-B Arts Overlay.

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

The Ground Lease contains the following essential terms:

- Medal, Inc., as Landlord and 1920 8th Street, LLC, as Tenant.
- Commenced August 3, 2007, with a one year base term and nine one-year renewal options
- Ground Rent of $225,000/year in the first year, $150,000/year for renewal terms 1-4, and $200,000/year for renewal terms 5-9.
- Purchase option exercisable at any time during base term and renewals. Exercise price of $4,800,000 in the base term, increasing by 1.5% at the beginning of each of the first three renewal terms and then remaining fixed at $5,019,256.20 for the remainder of the renewal terms.
- $100,000 of ground rent, once paid, credited toward the purchase option in the base term and in each of the first two renewal terms, with 100% of ground rent paid following the second renewal term and in every renewal term thereafter credited toward the option price. Therefore the purchase option balance due at the end of the last renewal term (that is, on August 3, 2017) shall be $3,419,256.20.
- A one time fee of $175,000 payable to Landlord for resubordination of Landlord's fee interest in land to Tenant's permanent financing lender (if such lender is different from Tenant's construction lender), to be paid upon the sooner of: 1) resubordination of Landlord fee interest to new lender following substantial completion of project, or 2) upon exercise of purchase option.
- Landlord is obliged under the ground lease to subordinate its unencumbered fee interest in the Property to Tenant's Lender, meaning that Tenant has full use of the land value of the Property as collateral to secure its construction financing and any other financing through the end of the final renewal term.
- Ground Lease is freely assignable by Tenant without consent of Landlord.

A copy of the complete Ground Lease follows this LOI.

4. Purchase Price:

One Million Five Hundred Thousand Dollars ($1,500,000), payable all cash at the Settlement.

5. Deposit:

Upon execution of a Purchase and Sale Agreement, Purchaser shall deposit Fifty Thousand Dollars ($50,000) to be held in escrow by Regional Title Corp., Washington, DC, or another mutually acceptable title company ("Escrow Agent"), in an interest bearing account ("Deposit"). Any and all deposit monies shall be credited against the Purchase Price at closing. Upon removal of the General Due Diligence Period by Purchaser, Deposit shall be deemed nonrefundable and earned by Seller and shall be released by Escrow Agent to Seller.

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

6. General Due Diligence Period:

Purchaser shall have a period of Thirty (30) days following the date of execution of the Purchase and Sale Agreement ("General Due Diligence Period") to perform its due diligence investigation of the Property and the Ground Lease. If, prior to the expiration of the Due Diligence Period, Purchaser determines in its sole discretion not to purchase the Property, then Purchaser shall have the right to terminate the Purchase Agreement, whereupon the Deposit shall be promptly returned to Purchaser, and Purchaser shall provide to Seller copies and assignment of all due diligence related reports obtained by Purchaser. No later than five (5) business days after the execution of the Purchase Agreement, Seller will provide to Purchaser (or make available for inspection by Buyer) copies of all materials in Seller's possession with respect to the Property and the Ground Lease (including, without limitation, any and all documents; environmental studies and reports; title commitments, reports and/or policies; surveys; plans and specifications; architectural and engineering documents and data; and reports, permits, licenses, and zoning documents) (collectively, the "Due Diligence Materials").

7. Settlement:

Settlement shall occur not later than December 31, 2009, time of the essence, or a sooner date with the mutual consent of the Purchaser and Seller. Any cost to Seller of delay of Settlement by fault of the Purchaser shall be reimbursed concurrently by Purchaser to Seller, including any ground rent and other carry costs paid or incurred by Tenant during the period between the original Settlement date and the actual date of Settlement, in addition to any other rights and remedies available to Seller as a result of such default.

8. Ground Lease Carry Cost:

Purchaser shall be responsible for all Ground Rent and property taxes payable by Tenant under the Ground Lease from the date that the General Due Diligence Period is removed by Purchaser until Settlement occurs, commencing retroactively to the first day of the month in which the General Due Diligence Period is removed by Purchaser ("Contract Period"). During Contract Period, Purchaser shall make any and all payments due by Tenant under Ground Lease to Escrow Agent when such payments are due under the Ground Lease, time of the essence, and Escrow Agent shall immediately disburse such payments to Landlord, with prompt written notice to Seller of such disbursements. If Purchaser fails to make any payment required by Ground Lease during the Contract Period by the close of business on the date such payment is due, Seller shall have the right to cure any anticipated default on Ground Lease by making payment to Escrow Agent or directly to Landlord (in addition to any other rights and remedies available to Seller as a result of such default), and Purchaser shall be deemed in default and shall have no further right or claim with respect to the property in law or equity.

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

9. Purchaser Default:

In addition to customary Purchaser default conditions for a commercial real estate purchase contract in Washington, D.C., the Purchase Agreement shall include the following conditions under which Purchaser shall be called immediately in default, with no further right or claim by Purchaser on the Property:

a. Purchaser fails to make timely payment of Ground Lease carry costs, per its obligation under Paragraph 8.

b. Purchaser is notified by Washington Metropolitan Area Transit Authority (WMATA) that Purchaser (or an affiliate or subsidiary of Purchaser or substantially controlled by Omar Karim and or Warren Williams) is no longer the "designated developer" with respect to WMATA Parcel Square 393 Lot 45 adjacent to the Property. Purchaser shall have an affirmative obligation to notify Seller of any such notice from WMATA, oral or written.

10. Additional Representations of Seller:

The Property is sold, and the Purchaser shall accept the Ground Lease As-Is, Where-Is. Seller represents and warrants that as of the date of the Purchaser's removal of the General Due Diligence Period, Tenant shall be in good standing with respect to Ground Lease, and Ground Lease shall be in full force and effect.

11. Additional Obligations of Purchaser:

Purchaser shall promptly inform Seller of any material change, favorable or unfavorable, with respect to Purchaser's negotiations with WMATA for acquisition and development of the WMATA parcel adjacent to the Property, including material developments pertaining to current or potential joint venture partners and equity and debt financing sources for the proposed project on the WMATA parcel.

12. Broker Commission:

Neither Buyer nor Seller is represented by a broker.

13. Assignment:

The Purchase Agreement shall not be assigned without consent of Seller in its sole discretion, except to an entity substantially controlled by Banneker Ventures, LLC, or Omar Karim and/or Warren Williams individually.

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

14. Confidentiality:

Unless and until Settlement shall occur, Purchaser agrees to keep the existence of and terms and conditions of this Letter of Intent, the Purchase Agreement and all Due Diligence Materials, confidential to themselves and their affiliates, and will not disclose the same except to its attorneys, accountants, lenders and prospective lenders, agents, consultants and advisors involved in the transaction and architects, engineers and other professionals or independent contractors who or which may be engaged to assist in or perform due diligence activities with respect to the Property (who shall abide by the confidentiality restrictions). If the Purchase Agreement is not entered into or is terminated, Purchaser agrees to return a copy of all Due Diligence Materials to Seller and shall provide the Seller with any Due Diligence Materials created by Purchaser or its agents, at no cost to the Seller. This Paragraph shall survive any termination or expiration of this Letter of Intent and the Purchase Agreement.

This offer will be held open until close of business on September 19, 2008. If the terms of this Letter of Intent are satisfactory to Purchaser, we request that you execute a copy of this Letter of Intent in the appropriate space provided below and return a signed copy to us by such date. Following execution of this Letter of Intent, Seller will immediately commence drafting of the Purchase Agreement for delivery to Purchaser within ten business days.

Sincerely,

Joshua Adler
Co-Managing Member

AGREED AND ACCEPTED:

Banneker Ventures, LLC	**1920 8th Street Venture, LLC**
By:_____	**By:**_____
Its:_____	**Its:**_____
Date:_____	**Date:**_____

10575.02.000000.0898

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

From: Rosalyn Doggett <rdoggett@wmata.com>
Sent: Monday, September 8, 2008 1:38 PM
To: Joel R. Washington <jrwashington@wmata.com>
Cc: Josh Adler <josh@lakritzadler.com>
Subject: Fwd: FLORIDA AVE

---

forgot to put in subject

>>> Rosalyn Doggett 9/8/2008 1:32 PM >>>

From: Josh Adler <josh@lakritzadler.com>
Sent: Monday, September 8, 2008 2:50 PM
To: 'Rosalyn Doggett' <rdoggett@wmata.com>
Subject: RE: FLORIDA AVE

Nothing attached?

-----Original Message-----
From: Rosalyn Doggett [mailto:rdoggett@wmata.com]
Sent: Monday, September 08, 2008 1:38 PM
To: Joel R. Washington
Cc: Josh Adler
Subject: Fwd: FLORIDA AVE

forgot to put in subject

>>> Rosalyn Doggett 9/8/2008 1:32 PM >>>

From: Rosalyn Doggett <rdoggett@wmata.com>
Sent: Monday, September 8, 2008 2:54 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: RE: FLORIDA AVE

---

sorry, wrong Josh
embarrassing coincidence
hope all is well with you

>>> "Josh Adler" <josh@lakritzadler.com> 9/8/2008 2:50 PM >>>
Nothing attached?

-----Original Message-----
From: Rosalyn Doggett [mailto:rdoggett@wmata.com]
Sent: Monday, September 08, 2008 1:38 PM
To: Joel R. Washington
Cc: Josh Adler
Subject: Fwd: FLORIDA AVE

forgot to put in subject

>>> Rosalyn Doggett 9/8/2008 1:32 PM >>>

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Thursday, September 25, 2008 1:52 PM
To: 'Josh Adler' <josh@lakritzadler.com>
Subject: FW: 1920 8th St NW - Notice of Hearing to Appeal Property Assessment
Attach: 20080925124919891.pdf

Go get em' Josh. Put it on your calendar.

From: Brad Voight - LA [mailto:brad@lakritzadler.com]
Sent: Thursday, September 25, 2008 1:49 PM
To: robb@lakritzadler.com
Subject: 1920 8th St NW - Notice of Hearing to Appeal Property Assessment

Robb:

Attached is a Notice of Hearing Schedule for 1920 8th Street NW. Josh may want to bring proof of our status to appeal the assessment.

Bradley M. Voight, CPA
Vice President - Finance & Accounting

LAKRITZ | ADLER

LaKritz Adler Development LLC
4326 8th Street, NW
Washington, DC 20011
E-Mail: Brad@LaKritzAdler.com
Phone: 202-882-0808
Fax: 202-882-0809
Cell: 301-742-5789

Government of the District of Columbia
Board of Real Property Assessments and Appeals

Notice of Hearing Schedule

Tax Year 2009

Date: 09/17/2008

MEDAL INC
9210 PEGASUS CT
POTOMAC, MD 208541661

Square: 0393 Suffix: Lot: 0046
Appeal of: MEDAL INC
Property Address: 1916 8TH ST NW

Dear Property Owner:

This is to inform you that your hearing with the Board of Real Property Assessments and Appeals has been scheduled as follows:

Date: 10/17/2008
Time: 04:00 pm
Panel: 3

The hearing will be held at 441 Fourth Street, N.W. (Judiciary Square Metro) in Suite 430S.

If you have any questions, please contact me on (202) 727-6860.

Sincerely,

Doretha C. McCallum

Doretha C. McCallum
Administrative Officer

From: josh@lakritzadler.com
Sent: Friday, September 26, 2008 5:07 PM
To: Robb Lakritz <robb@lakritzadler.com>
Subject: Fw: Letter of Intent w/ BV comments- 1920 8th Street, LLC
Attach: 1920 8th Street LOI with BV comments.doc

Fyi

From: "Omar A. Karim" <okarim@bannekerventures.com>
Date: Fri, 26 Sep 2008 16:50:36 -0400
To: 'Josh Adler'<josh@lakritzadler.com>
Subject: Letter of Intent w/ BV comments- 1920 8th Street, LLC

Josh,

Attached is a clean and marked version of the Letter of Intent for the purchase of the membership interests in 1920 8th Street, LLC. Because of the credit markets, we will not be able to use the property as equity and instead would have to purchase it at the start of construction, and as such the economics of the deal have greatly changed. As a result, the maximum we would be able to pay for the lease option is $1M. Lets catch up next week.

Omar

Omar A. Karim
Banneker Ventures, LLC
700 12th Street, NW, Suite 700
Washington, DC 20005
(202) 667-4110 office
(301) 523-1810 cell
okarim@bannekerventures.com

LAKRITZ | ADLER
real estate development

September ~~5,~~ 2008

NON-BINDING LETTER OF INTENT

Omar A. Karim
Banneker Ventures, LLC
700 12th Street, NW, Suite 700
Washington, DC 20005

Dear Omar:

This non-binding Letter of Intent is an outline of the general terms and conditions to be more particularly described and detailed in a formal Purchase and Sale Agreement by and between **Banneker Ventures, LLC** hereinafter referred to as **"Purchaser"** and the owners of the membership interests in **1920 8th Street, LLC**, hereinafter collectively referred to as **"Seller"** whereby Purchaser shall agree to buy and Seller shall agree to sell 100% of the membership interests in 1920 8th Street, LLC, hereinafter referred to as the **"~~Property~~Company"**.

1. Seller:

The Seller of the ~~Property shall be~~**Company is** the ~~owners~~**owner** of 100% of the membership interests in 1920 8th Street, LLC, a Delaware ~~Limited Liability Company~~**limited liability company**.

2. Purchaser:

The Purchaser of the ~~Property~~**Company** is Banneker Ventures, LLC, a ~~Limited Liability Company~~**limited liability company formed under the laws of the District of Columbia**.

3. Property Description:

The ~~property~~**Company** is a Delaware ~~Limited Liability Company~~**limited liability company** known as 1920 8th Street, LLC (the "Tenant"), which holds a ground lease and purchase option ("Ground Lease") to an approximately 11,320 square foot vacant lot

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

known as Square 393, Lot 46, also known as 1916-1930 8th Street, NW, Washington, DC, zoned C-2-B Arts Overlay **(the "Property")**.

The Ground Lease contains the following essential terms:

- Medal, Inc., as Landlord and 1920 8th Street, LLC, as Tenant.
- Commenced August 3, 2007, with a one year base term and nine one-year renewal options.
- Ground Rent of $225,000/year in the first year, $150,000/year for renewal terms 1-4, and $200,000/year for renewal terms 5-9.
- Purchase option exercisable at any time during base term and renewals. Exercise price of $4,800,000 in the base term, increasing by 1.5% at the beginning of each of the first three renewal terms and then remaining fixed at $5,019,256.20 for the remainder of the renewal terms.
- $100,000 of ground rent, once paid, credited toward the purchase option in the base term and in each of the first two renewal terms, with 100% of ground rent paid following the second renewal term and in every renewal term thereafter credited toward the option price. Therefore the purchase option balance due at the end of the last renewal term (that is, on August 3, 2017) shall be $3,419,256.20.
- A one time fee of $175,000 payable to Landlord for resubordination of Landlord's fee interest in land to Tenant's permanent financing lender (if such lender is different from Tenant's construction lender), to be paid upon the sooner of: 1) resubordination of Landlord fee interest to new lender following substantial completion of project, or 2) upon exercise of purchase option.
- Landlord is obliged under the ground lease to subordinate its unencumbered fee interest in the Property to Tenant's Lender, meaning that Tenant has full use of the land value of the Property as collateral to secure its construction financing and any other financing through the end of the final renewal term.
- Ground Lease is freely assignable by Tenant without consent of Landlord.

A copy of the complete Ground Lease follows this LOI.

4. Purchase Price:

One Million ~~Five Hundred Thousand Dollars ($1,500,000~~**Dollars ($1,000,000), less the Deposit and Ground Lease Carry Costs (as defined below)**, payable all **in** cash at**on** the Settlement **Date (as defined in Section 7)**.

5. Deposit:

Upon **the full** execution of a Purchase and Sale Agreement, Purchaser shall deposit Fifty Thousand Dollars ($50,000) ~~to be held in escrow by Regional Title Corp., Washington, DC, or another mutually acceptable title company ("Escrow Agent"),~~ in an interest bearing **escrow** account ("Deposit**"). The Deposit shall be held by an escrow agent satisfactory to the Purchaser ("Escrow Agent**"). Any and all ~~deposit~~**Deposit** monies

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

shall be credited against the Purchase Price ~~at closing~~**on the Settlement Date**. ~~Upon removal of the General Due Diligence Period by Purchaser,~~**On the Trigger Date (as defined herein below), the** Deposit shall be deemed nonrefundable and earned by Seller and shall be released by Escrow Agent to Seller.

6. General Due Diligence Period:

Purchaser shall have a period of ~~Thirty (30~~**one hundred and twenty (120)** days following the date of execution of the Purchase and Sale Agreement ("General Due Diligence Period") to perform its due diligence investigation of the **Company,** Property and ~~the~~ Ground Lease**, and secure approval of an executed Joint Development Agreement and Ground Lease between Purchaser and the Washington Metropolitan Area Transit Authority's ("WMATA") Board of Directors**. If, prior to the expiration of the **General** Due Diligence Period, Purchaser **elects, in its sole discretion, to proceed with the purchase of the Company, Purchaser shall provide written notice to Seller on the date of such election (the "Trigger Date", the period between the Trigger Date and the Settlement Date shall be referred to as the "Contract Period"). If, prior to the expiration of the General Due Diligence Period, Purchaser** determines in its sole discretion not to purchase the ~~Property~~**Company**, then Purchaser shall have the right to terminate the Purchase Agreement, whereupon the Deposit shall be promptly returned to Purchaser, ~~and~~ Purchaser shall provide to Seller copies and assignment of all due diligence related reports obtained by Purchaser**, and Purchaser shall have no further obligations to Seller**. No later than five (5) business days after the execution of the Purchase Agreement, Seller will provide to Purchaser ~~(or make available for inspection by Buyer)~~ copies of all materials in Seller's possession with respect to the Property**, Company** and the Ground Lease (including, without limitation, any and all documents **relating to the Property and the Company including financial statements**; environmental studies and reports; title commitments, reports and/or policies; surveys; plans and specifications; architectural and engineering documents and data; and reports, permits, licenses, and zoning documents) (collectively, the "Due Diligence Materials").

7. Settlement:

~~Settlement shall occur not later than December 31, 2009, time of the essence, or a sooner date with the mutual consent of the Purchaser and Seller. Any cost to Seller of delay of Settlement by fault of the Purchaser shall be reimbursed concurrently by Purchaser to Seller, including any ground rent and other carry costs paid or incurred by Tenant during the period between the original Settlement date and the actual date of Settlement, in addition to any other rights and remedies available to Seller as a result of such default.~~
Provided the Conditions Precedent (as defined herein below) are satisfied, the closing of the purchase and sale of the Company (the "Settlement") shall occur on or before May 31, 2010 (the "Settlement Date").

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

8. Ground Lease Carry ~~Cost~~Costs:

Purchaser shall be responsible for ~~all Ground~~**paying the Fixed** Rent and property taxes payable by Tenant under the Ground Lease ~~from the date that the General Due Diligence Period is removed by Purchaser until Settlement occurs, commencing retroactively to the first day of the month in which the General Due Diligence Period is removed by Purchaser ("Contract Period")~~**(the "Ground Lease Carry Costs") during the Contract Period**. During **the** Contract Period, Purchaser shall make ~~any and all~~ payments **of Fixed Rent** due by Tenant under **the** Ground Lease ~~to Escrow Agent~~**which arose during the Contract Period to Landlord** when such payments are due under the Ground Lease~~, time of the essence, and Escrow Agent shall immediately disburse such payments to Landlord, with prompt~~ **and, shall make payments of property taxes due during the Contract Period, within a reasonable time following receipt of the property tax bill from Seller, directly to the tax authority to which such payments must be made. Purchaser shall provide** written notice to Seller of ~~such disbursements~~**Purchaser's payment of Fixed Rent and property taxes each month. The parties agree that, with respect to the payments contemplated under this Section 8 and Seller's notification to Purchaser of property tax payments that shall become due, that time is of the essence. Except for payment of Fixed Rent and property taxes, Seller shall retain responsibility for all other payments due to Landlord and shall perform all other covenants, terms and conditions of the Ground Lease**. If Purchaser fails to ~~make any payment required by Ground Lease~~**pay the Ground Lease Carry Costs to Landlord or the tax authority, as applicable,** during the Contract Period by the close of business on the date such payment is due, Seller shall have the right to cure any anticipated default on **the** Ground Lease by making payment ~~to Escrow Agent or directly to Landlord (in addition to any other rights and remedies available to Seller as a result of such default), and Purchaser shall be deemed in default and shall have no further right or claim with respect to the property in law or equity.~~**directly to Landlord or the tax authority.**

9. Conditions Precedent to Settlement

The Purchase Agreement shall contain conditions precedent to Settlement ("Conditions Precedent"), including, but not limited to, the following:

i) Seller shall deliver to Purchaser written certification from Seller with respect to items (a) through (f) provided in Section 22 of the Ground Lease.

ii) Seller shall cause Landlord to deliver an estoppel to Purchaser with respect to items (a) through (f) provided in Section 22 of the Ground Lease and shall include a provision stating that Landlord is obligated to credit to Purchaser, as Tenant, Fixed Rent in the amount of $, in accordance with Section 34 of the Ground Lease if Purchaser elects to purchase the Property.

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

iii) Seller shall cause Landlord to deliver to Purchaser a bringdown certificate stating that all representations and warranties of Landlord provided in the Ground Lease are true as of the Settlement Date.

iv) Seller shall provide Purchaser with Seller's bring-to-date title policy (dated as of the Settlement Date) and shall cause Landlord to deliver to Purchaser a standard form of Owner's Title Affidavit sufficient to delete any exceptions from Seller's title commitment and title policy so that such title policy includes only those encumbrances existing as of the Settlement Date and approved by Purchaser, and any documents reasonably required by Purchaser's title insurance company to remove the standard title exceptions for parties in possession and mechanics' or materialman's liens.

v) Seller shall cause Landlord to deliver to Purchaser any documents reasonably required by Seller's title company evidencing Landlord's authority to enter into the Ground Lease, including, without limitation, certifications and other documentation relating to Landlord's organizational structure.

~~**9. Purchaser Default:**~~

vi) Seller's representations and warranties contained in the Purchase Agreement shall be true as of the date of execution of the Purchase Agreement and Settlement Date.

~~In addition to customary Purchaser default conditions for a commercial real estate purchase contract in Washington, D.C., the Purchase Agreement shall include the following conditions under which Purchaser shall be called immediately in default, with no further right or claim by Purchaser on the Property:~~

~~a. Purchaser fails to make timely payment of Ground Lease carry costs, per its obligation under Paragraph 8.~~

10. Exclusivity

~~b. Purchaser is notified by Washington Metropolitan Area Transit Authority (WMATA) that Purchaser (or an affiliate or subsidiary of Purchaser or substantially controlled by Omar Karim and or Warren Williams) is no longer the "designated developer" with respect to WMATA Parcel Square 393 Lot 45 adjacent to the Property. Purchaser shall have an affirmative obligation to notify Seller of any such notice from WMATA, oral or written.~~

In consideration of Purchaser's efforts and expense in analyzing this transaction, Seller agrees that as long as Purchaser is proceeding in good faith to negotiate the Joint Development Agreement and Ground Lease with WMATA and the Purchase Agreement with Seller, during the period following the date hereof until the execution of the Purchase Agreement, Seller for itself and on behalf of Seller's respective representatives, agents and employees, will not directly or

indirectly make, accept, negotiate, entertain or otherwise pursue any offers to sell any interest in the Company or to engage in any financing or other capital transaction regarding the Company's interest under the Ground Lease during such period.

~~10.~~11. Additional Representations of Seller:

The ~~Property is sold, and the Purchaser shall accept the Ground Lease As-Is, Where-Is. Seller represents and warrants that as of the date of the Purchaser's removal of the General Due Diligence Period, Tenant shall be in good standing with respect to Ground Lease, and Ground Lease shall be~~**Purchase Agreement shall contain representations and warranties by Seller satisfactory to Purchaser which shall be effective as of the date of execution of the Purchase Agreement and the Settlement Date, including customary company-level representations and warranties for a transaction of this type, and also including, but not limited to, the following:**

i) Landlord owns the Property under a marketable, fee simple title.

ii) Neither Landlord nor Seller is in default under the Ground Lease nor has any event occurred that would constitute a default thereunder with the passage of time.

iii) The Ground Lease is in full force and effect.

iv) Seller has not assigned, transferred or pledged any interest in the Company or the Ground Lease and Seller has not subleased any portion of the Property.

v) Landlord has not assigned, transferred or pledged its fee interest in the Property or its reversionary estate to any party.

vi) There has not occurred a material adverse change that affects in any way the Company or the Property.

~~11.~~12. Additional Obligations of Purchaser:

Purchaser shall promptly inform Seller of any material change, favorable or unfavorable, with respect to Purchaser's negotiations with WMATA for acquisition and development of the WMATA parcel adjacent to the Property~~, including material developments pertaining to current or potential joint venture partners and equity and debt financing sources for the proposed project on the WMATA parcel~~.

~~12.~~13. Broker Commission:

Neither Buyer nor Seller is represented by a broker.

~~**13. Assignment:**~~

~~The Purchase Agreement shall not be assigned without consent of Seller in its sole discretion, except to an entity substantially controlled by Banneker Ventures, LLC, or Omar Karim and/or Warren Williams individually.~~

14. Due Diligence and Reasonable Closing Costs:

Upon execution of this Letter of Intent, Seller shall pay to Purchaser an up-front deposit totaling $20,000, which shall be refundable to the extent it is not applied to Purchaser's out of pocket costs and expenses (including, without limitation, attorneys' fees) paid or incurred by Purchaser in connection with Purchaser's due diligence analyses, investigations and evaluations and in negotiating the terms of and documenting this Letter of Intent and the Purchase Agreement. This provision is and shall be binding on the parties. Seller and Purchaser shall each pay 50% of the costs of revenue stamps, recording taxes and filing fees in connection with the Settlement. Except for the up-front deposit paid by Seller in connection with Purchaser's due diligence, Seller and Purchaser shall each pay for their own attorneys' fees.

15. Confidentiality:

Unless and until Settlement shall occur, Purchaser agrees to keep the existence of and terms and conditions of this Letter of Intent, the Purchase Agreement and all Due Diligence Materials, confidential to themselves and their affiliates, and will not disclose the same except to its attorneys, accountants, lenders and prospective lenders, agents, consultants and advisors involved in the transaction**, local government officials, including, but not limited to WMATA,** and architects, engineers and other professionals or independent contractors who or which may be engaged to assist in or perform due diligence activities with respect to the **Company and** Property (who shall abide by the confidentiality restrictions). If the Purchase Agreement is not entered into or is terminated, Purchaser agrees to return a copy of all Due Diligence Materials to Seller and shall provide the Seller with any Due Diligence Materials created by Purchaser or its agents, at no cost to the Seller. This Paragraph shall survive any termination or expiration of this Letter of Intent and the Purchase Agreement.

This offer will be held open until close of business on September ~~19,~~ 2008. If the terms of this Letter of Intent are satisfactory to Purchaser, we request that you execute a copy of this Letter of Intent in the appropriate space provided below and return a signed copy to us by such date. Following execution of this Letter of Intent, Seller will immediately commence drafting of the Purchase Agreement for delivery to Purchaser within ten business days.

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

Sincerely,

Joshua Adler
Co-Managing Member

AGREED AND ACCEPTED:

Banneker Ventures, LLC	**1920 8th Street Venture, LLC**
By:_____	**By:**_____
Its:_____	**Its:**_____
Date:_____	**Date:**_____

10575.02.000000.0898

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

Document comparison done by Workshare Professional on Thursday, September 25, 2008 12:44:34 PM

Input:	
Document 1	file://C:/Documents and Settings/dl19022/My Documents/Banneker LOI initial draft.doc
Document 2	interwovenSite://EASTDMS/EAST/42173345/4
Rendering set	DLAPiper

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	73
Deletions	44
Moved from	2
Moved to	2
Style change	0
Format changed	0
Total changes	121

From: robb@lakritzadler.com
Sent: Friday, September 26, 2008 5:14 PM
To: Mr. Josh Adler <josh@lakritzadler.com>
Subject: Delivered: Fw: Letter of Intent w/ BV comments- 1920 8th Street, LLC
Attach: details.txt

Your message was delivered to the recipient.

Original-Message-ID:462371691
Final-Recipient:robb@lakritzadler.com
Action:Delivered

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Saturday, September 27, 2008 9:55 AM
To: 'Brad Voight - LA' <brad@lakritzadler.com>
Subject: FW: Letter of Intent w/ BV comments- 1920 8th Street, LLC
Attach: 1920 8th Street LOI with BV comments.doc

---

fyi

From: josh@lakritzadler.com [mailto:josh@lakritzadler.com]
Sent: Friday, September 26, 2008 5:07 PM
To: Robb Lakritz
Subject: Fw: Letter of Intent w/ BV comments- 1920 8th Street, LLC

Fyi

From: "Omar A. Karim" <okarim@bannekerventures.com>
Date: Fri, 26 Sep 2008 16:50:36 -0400
To: 'Josh Adler'<josh@lakritzadler.com>
Subject: Letter of Intent w/ BV comments- 1920 8th Street, LLC
Josh,

Attached is a clean and marked version of the Letter of Intent for the purchase of the membership interests in 1920 8th Street, LLC. Because of the credit markets, we will not be able to use the property as equity and instead would have to purchase it at the start of construction, and as such the economics of the deal have greatly changed. As a result, the maximum we would be able to pay for the lease option is $1M. Lets catch up next week.

Omar

Omar A. Karim
Banneker Ventures, LLC
700 12th Street, NW, Suite 700
Washington, DC 20005
(202) 667-4110 office
(301) 523-1810 cell
okarim@bannekerventures.com

LAKRITZ | ADLER
real estate development

September 5~~,~~ 2008

NON-BINDING LETTER OF INTENT

Omar A. Karim
Banneker Ventures, LLC
700 12th Street, NW, Suite 700
Washington, DC 20005

Dear Omar:

This non-binding Letter of Intent is an outline of the general terms and conditions to be more particularly described and detailed in a formal Purchase and Sale Agreement by and between **Banneker Ventures, LLC** hereinafter referred to as **"Purchaser"** and the owners of the membership interests in **1920 8th Street, LLC**, hereinafter collectively referred to as **"Seller"** whereby Purchaser shall agree to buy and Seller shall agree to sell 100% of the membership interests in 1920 8th Street, LLC, hereinafter referred to as the **"~~Property~~Company"**.

1. Seller:

The Seller of the ~~Property shall be~~**Company is** the ~~owners~~**owner** of 100% of the membership interests in 1920 8th Street, LLC, a Delaware ~~Limited Liability Company~~**limited liability company**.

2. Purchaser:

The Purchaser of the ~~Property~~**Company** is Banneker Ventures, LLC, a ~~Limited Liability Company~~**limited liability company formed under the laws of the District of Columbia**.

3. Property Description:

The ~~property~~**Company** is a Delaware ~~Limited Liability Company~~**limited liability company** known as 1920 8th Street, LLC (the "Tenant"), which holds a ground lease and purchase option ("Ground Lease") to an approximately 11,320 square foot vacant lot

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

known as Square 393, Lot 46, also known as 1916-1930 8th Street, NW, Washington, DC, zoned C-2-B Arts Overlay **(the "Property")**.

The Ground Lease contains the following essential terms:

- Medal, Inc., as Landlord and 1920 8th Street, LLC, as Tenant.
- Commenced August 3, 2007, with a one year base term and nine one-year renewal options.
- Ground Rent of $225,000/year in the first year, $150,000/year for renewal terms 1-4, and $200,000/year for renewal terms 5-9.
- Purchase option exercisable at any time during base term and renewals. Exercise price of $4,800,000 in the base term, increasing by 1.5% at the beginning of each of the first three renewal terms and then remaining fixed at $5,019,256.20 for the remainder of the renewal terms.
- $100,000 of ground rent, once paid, credited toward the purchase option in the base term and in each of the first two renewal terms, with 100% of ground rent paid following the second renewal term and in every renewal term thereafter credited toward the option price. Therefore the purchase option balance due at the end of the last renewal term (that is, on August 3, 2017) shall be $3,419,256.20.
- A one time fee of $175,000 payable to Landlord for resubordination of Landlord's fee interest in land to Tenant's permanent financing lender (if such lender is different from Tenant's construction lender), to be paid upon the sooner of: 1) resubordination of Landlord fee interest to new lender following substantial completion of project, or 2) upon exercise of purchase option.
- Landlord is obliged under the ground lease to subordinate its unencumbered fee interest in the Property to Tenant's Lender, meaning that Tenant has full use of the land value of the Property as collateral to secure its construction financing and any other financing through the end of the final renewal term.
- Ground Lease is freely assignable by Tenant without consent of Landlord.

A copy of the complete Ground Lease follows this LOI.

4. Purchase Price:

One Million ~~Five Hundred Thousand Dollars ($1,500,000~~**Dollars ($1,000,000), less the Deposit and Ground Lease Carry Costs (as defined below)**, payable all **in** cash at**on** the Settlement **Date (as defined in Section 7)**.

5. Deposit:

Upon **the full** execution of a Purchase and Sale Agreement, Purchaser shall deposit Fifty Thousand Dollars ($50,000) ~~to be held in escrow by Regional Title Corp., Washington, DC, or another mutually acceptable title company ("Escrow Agent"),~~ in an interest bearing **escrow** account ("Deposit**"). The Deposit shall be held by an escrow agent satisfactory to the Purchaser ("Escrow Agent**"). Any and all ~~deposit~~**Deposit** monies

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

shall be credited against the Purchase Price ~~at closing~~**on the Settlement Date**. ~~Upon removal of the General Due Diligence Period by Purchaser,~~**On the Trigger Date (as defined herein below), the** Deposit shall be deemed nonrefundable and earned by Seller and shall be released by Escrow Agent to Seller.

6. General Due Diligence Period:

Purchaser shall have a period of ~~Thirty (30~~**one hundred and twenty (120)** days following the date of execution of the Purchase and Sale Agreement ("General Due Diligence Period") to perform its due diligence investigation of the **Company,** Property and ~~the~~ Ground Lease**, and secure approval of an executed Joint Development Agreement and Ground Lease between Purchaser and the Washington Metropolitan Area Transit Authority's ("WMATA") Board of Directors**. If, prior to the expiration of the **General** Due Diligence Period, Purchaser **elects, in its sole discretion, to proceed with the purchase of the Company, Purchaser shall provide written notice to Seller on the date of such election (the "Trigger Date", the period between the Trigger Date and the Settlement Date shall be referred to as the "Contract Period"). If, prior to the expiration of the General Due Diligence Period, Purchaser** determines in its sole discretion not to purchase the ~~Property~~**Company**, then Purchaser shall have the right to terminate the Purchase Agreement, whereupon the Deposit shall be promptly returned to Purchaser, ~~and~~ Purchaser shall provide to Seller copies and assignment of all due diligence related reports obtained by Purchaser**, and Purchaser shall have no further obligations to Seller**. No later than five (5) business days after the execution of the Purchase Agreement, Seller will provide to Purchaser ~~(or make available for inspection by Buyer)~~ copies of all materials in Seller's possession with respect to the Property**, Company** and the Ground Lease (including, without limitation, any and all documents **relating to the Property and the Company including financial statements**; environmental studies and reports; title commitments, reports and/or policies; surveys; plans and specifications; architectural and engineering documents and data; and reports, permits, licenses, and zoning documents) (collectively, the "Due Diligence Materials").

7. Settlement:

~~Settlement shall occur not later than December 31, 2009, time of the essence, or a sooner date with the mutual consent of the Purchaser and Seller. Any cost to Seller of delay of Settlement by fault of the Purchaser shall be reimbursed concurrently by Purchaser to Seller, including any ground rent and other carry costs paid or incurred by Tenant during the period between the original Settlement date and the actual date of Settlement, in addition to any other rights and remedies available to Seller as a result of such default.~~
Provided the Conditions Precedent (as defined herein below) are satisfied, the closing of the purchase and sale of the Company (the "Settlement") shall occur on or before May 31, 2010 (the "Settlement Date").

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

8. Ground Lease Carry ~~Cost~~Costs:

Purchaser shall be responsible for ~~all Ground~~**paying the Fixed** Rent and property taxes payable by Tenant under the Ground Lease ~~from the date that the General Due Diligence Period is removed by Purchaser until Settlement occurs, commencing retroactively to the first day of the month in which the General Due Diligence Period is removed by Purchaser ("Contract Period")~~**(the "Ground Lease Carry Costs") during the Contract Period**. During **the** Contract Period, Purchaser shall make ~~any and all~~ payments **of Fixed Rent** due by Tenant under **the** Ground Lease ~~to Escrow Agent~~**which arose during the Contract Period to Landlord** when such payments are due under the Ground Lease~~, time of the essence, and Escrow Agent shall immediately disburse such payments to Landlord, with prompt~~ **and, shall make payments of property taxes due during the Contract Period, within a reasonable time following receipt of the property tax bill from Seller, directly to the tax authority to which such payments must be made. Purchaser shall provide** written notice to Seller of ~~such disbursements~~**Purchaser's payment of Fixed Rent and property taxes each month. The parties agree that, with respect to the payments contemplated under this Section 8 and Seller's notification to Purchaser of property tax payments that shall become due, that time is of the essence. Except for payment of Fixed Rent and property taxes, Seller shall retain responsibility for all other payments due to Landlord and shall perform all other covenants, terms and conditions of the Ground Lease**. If Purchaser fails to ~~make any payment required by Ground Lease~~**pay the Ground Lease Carry Costs to Landlord or the tax authority, as applicable,** during the Contract Period by the close of business on the date such payment is due, Seller shall have the right to cure any anticipated default on **the** Ground Lease by making payment ~~to Escrow Agent or directly to Landlord (in addition to any other rights and remedies available to Seller as a result of such default), and Purchaser shall be deemed in default and shall have no further right or claim with respect to the property in law or equity.~~**directly to Landlord or the tax authority.**

9. Conditions Precedent to Settlement

The Purchase Agreement shall contain conditions precedent to Settlement ("Conditions Precedent"), including, but not limited to, the following:

i) Seller shall deliver to Purchaser written certification from Seller with respect to items (a) through (f) provided in Section 22 of the Ground Lease.

ii) Seller shall cause Landlord to deliver an estoppel to Purchaser with respect to items (a) through (f) provided in Section 22 of the Ground Lease and shall include a provision stating that Landlord is obligated to credit to Purchaser, as Tenant, Fixed Rent in the amount of $ _____, in accordance with Section 34 of the Ground Lease if Purchaser elects to purchase the Property.

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

iii) Seller shall cause Landlord to deliver to Purchaser a bringdown certificate stating that all representations and warranties of Landlord provided in the Ground Lease are true as of the Settlement Date.

iv) Seller shall provide Purchaser with Seller's bring-to-date title policy (dated as of the Settlement Date) and shall cause Landlord to deliver to Purchaser a standard form of Owner's Title Affidavit sufficient to delete any exceptions from Seller's title commitment and title policy so that such title policy includes only those encumbrances existing as of the Settlement Date and approved by Purchaser, and any documents reasonably required by Purchaser's title insurance company to remove the standard title exceptions for parties in possession and mechanics' or materialman's liens.

v) Seller shall cause Landlord to deliver to Purchaser any documents reasonably required by Seller's title company evidencing Landlord's authority to enter into the Ground Lease, including, without limitation, certifications and other documentation relating to Landlord's organizational structure.

~~**9. Purchaser Default:**~~

vi) Seller's representations and warranties contained in the Purchase Agreement shall be true as of the date of execution of the Purchase Agreement and Settlement Date.

~~In addition to customary Purchaser default conditions for a commercial real estate purchase contract in Washington, D.C., the Purchase Agreement shall include the following conditions under which Purchaser shall be called immediately in default, with no further right or claim by Purchaser on the Property:~~

~~a. Purchaser fails to make timely payment of Ground Lease carry costs, per its obligation under Paragraph 8.~~

10. Exclusivity

~~b. Purchaser is notified by Washington Metropolitan Area Transit Authority (WMATA) that Purchaser (or an affiliate or subsidiary of Purchaser or substantially controlled by Omar Karim and or Warren Williams) is no longer the "designated developer" with respect to WMATA Parcel Square 393 Lot 45 adjacent to the Property. Purchaser shall have an affirmative obligation to notify Seller of any such notice from WMATA, oral or written.~~

In consideration of Purchaser's efforts and expense in analyzing this transaction, Seller agrees that as long as Purchaser is proceeding in good faith to negotiate the Joint Development Agreement and Ground Lease with WMATA and the Purchase Agreement with Seller, during the period following the date hereof until the execution of the Purchase Agreement, Seller for itself and on behalf of Seller's respective representatives, agents and employees, will not directly or

indirectly make, accept, negotiate, entertain or otherwise pursue any offers to sell any interest in the Company or to engage in any financing or other capital transaction regarding the Company's interest under the Ground Lease during such period.

~~10.~~11. Additional Representations of Seller:

The ~~Property is sold, and the Purchaser shall accept the Ground Lease As-Is, Where-Is. Seller represents and warrants that as of the date of the Purchaser's removal of the General Due Diligence Period, Tenant shall be in good standing with respect to Ground Lease, and Ground Lease shall be~~**Purchase Agreement shall contain representations and warranties by Seller satisfactory to Purchaser which shall be effective as of the date of execution of the Purchase Agreement and the Settlement Date, including customary company-level representations and warranties for a transaction of this type, and also including, but not limited to, the following:**

i) Landlord owns the Property under a marketable, fee simple title.

ii) Neither Landlord nor Seller is in default under the Ground Lease nor has any event occurred that would constitute a default thereunder with the passage of time.

iii) The Ground Lease is in full force and effect.

iv) Seller has not assigned, transferred or pledged any interest in the Company or the Ground Lease and Seller has not subleased any portion of the Property.

v) Landlord has not assigned, transferred or pledged its fee interest in the Property or its reversionary estate to any party.

vi) There has not occurred a material adverse change that affects in any way the Company or the Property.

~~11.~~12. Additional Obligations of Purchaser:

Purchaser shall promptly inform Seller of any material change, favorable or unfavorable, with respect to Purchaser's negotiations with WMATA for acquisition and development of the WMATA parcel adjacent to the Property~~, including material developments pertaining to current or potential joint venture partners and equity and debt financing sources for the proposed project on the WMATA parcel~~.

~~12.~~13. Broker Commission:

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

Neither Buyer nor Seller is represented by a broker.

~~**13. Assignment:**~~

~~The Purchase Agreement shall not be assigned without consent of Seller in its sole discretion, except to an entity substantially controlled by Banneker Ventures, LLC, or Omar Karim and/or Warren Williams individually.~~

14. Due Diligence and Reasonable Closing Costs:

Upon execution of this Letter of Intent, Seller shall pay to Purchaser an up-front deposit totaling $20,000, which shall be refundable to the extent it is not applied to Purchaser's out of pocket costs and expenses (including, without limitation, attorneys' fees) paid or incurred by Purchaser in connection with Purchaser's due diligence analyses, investigations and evaluations and in negotiating the terms of and documenting this Letter of Intent and the Purchase Agreement. This provision is and shall be binding on the parties. Seller and Purchaser shall each pay 50% of the costs of revenue stamps, recording taxes and filing fees in connection with the Settlement. Except for the up-front deposit paid by Seller in connection with Purchaser's due diligence, Seller and Purchaser shall each pay for their own attorneys' fees.

15. Confidentiality:

Unless and until Settlement shall occur, Purchaser agrees to keep the existence of and terms and conditions of this Letter of Intent, the Purchase Agreement and all Due Diligence Materials, confidential to themselves and their affiliates, and will not disclose the same except to its attorneys, accountants, lenders and prospective lenders, agents, consultants and advisors involved in the transaction**, local government officials, including, but not limited to WMATA,** and architects, engineers and other professionals or independent contractors who or which may be engaged to assist in or perform due diligence activities with respect to the **Company and** Property (who shall abide by the confidentiality restrictions). If the Purchase Agreement is not entered into or is terminated, Purchaser agrees to return a copy of all Due Diligence Materials to Seller and shall provide the Seller with any Due Diligence Materials created by Purchaser or its agents, at no cost to the Seller. This Paragraph shall survive any termination or expiration of this Letter of Intent and the Purchase Agreement.

This offer will be held open until close of business on September ~~19,~~ 2008. If the terms of this Letter of Intent are satisfactory to Purchaser, we request that you execute a copy of this Letter of Intent in the appropriate space provided below and return a signed copy to us by such date. Following execution of this Letter of Intent, Seller will immediately commence drafting of the Purchase Agreement for delivery to Purchaser within ten business days.

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

Sincerely,

Joshua Adler
Co-Managing Member

AGREED AND ACCEPTED:

Banneker Ventures, LLC	**1920 8th Street Venture, LLC**
By:_____	**By:**_____
Its:_____	**Its:**_____
Date:_____	**Date:**_____

10575.02.000000.0898

LaKritz | Adler Development, LLC
4326 8th Street, NW • Washington, DC 20011
(202) 882-0808 • Fax (202) 882-0809

Document comparison done by Workshare Professional on Thursday, September 25, 2008 12:44:34 PM

Input:	
Document 1	file://C:/Documents and Settings/dl19022/My Documents/Banneker LOI initial draft.doc
Document 2	interwovenSite://EASTDMS/EAST/42173345/4
Rendering set	DLAPiper

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	73
Deletions	44
Moved from	2
Moved to	2
Style change	0
Format changed	0
Total changes	121

From: Josh Adler <josh@lakritzadler.com>
Sent: Monday, September 29, 2008 12:14 PM
To: robb@lakritzadler.com
Subject: Reminder

Check on the status of the CBRE 1920 8th listing agreement.

Omar's LOI sucks.

LAKRITZ|ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Monday, September 29, 2008 12:25 PM
To: 'robb@lakritzadler.com'
Subject: FW: 1920 8th Street NW

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, July 17, 2008 11:58 AM
To: 'robb@lakritzadler.com'
Subject: FW: 1920 8th Street NW

FYI re CBRE listing agreement.

From: Jarvis, Ernest @ Washington DC [mailto:Ernest.Jarvis@cbre.com]
Sent: Tuesday, July 15, 2008 6:09 PM
To: Josh Adler
Cc: Perkins, Dennis @ Washington
Subject: RE: 1920 8th Street NW

Josh,

Yes, we would agree with those two "carve outs" or exclusions, provided that there is a reasonable time given for those deals to be completed. In other words, at the end of a 90 day period to complete those deals, commencing the date of listing agreement execution, CBRE would be entitled to receive a fee for those groups. Our aim is to hit the ground running and deploy resources to the project. We believe it's mutually beneficial to be rowing in the same direction. Ernie

New contact information effective December 17, 2007
Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, July 15, 2008 5:56 PM
To: Jarvis, Ernest @ Washington DC
Subject: RE: 1920 8th Street NW

I did receive it, and need to mark it up. Will you exclude the charter school we are negotiating with and the awardee of the WMATA parcel? If so, it makes it a lot easier for us to agree to list now, rather than waiting for these two negotiations to play out before listing.

From: Jarvis, Ernest @ Washington DC [mailto:Ernest.Jarvis@cbre.com]
Sent: Tuesday, July 15, 2008 5:53 PM
To: Josh Adler
Subject: RE: 1920 8th Street NW

Josh,

I want to ensure you received the package that Dennis Perkins forwarded to you. Ernie

New contact information effective December 17, 2007
Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, June 10, 2008 5:53 PM
To: Jarvis, Ernest @ Washington DC
Subject: 1920 8th Street NW

Ernie,

Here is some information about 1920 8th St NW, (aka, 1916-1930 8th St NW). The floorplans attached yield about a 47,600 SF, five-story commercial building with about 22-24 parking spaces at grade at back of first floor. Total FAR is about 51,000 SF (4.5 FAR x 11,320 SF lot area, 65' height limit.) Zoning is C2B/Arts overlay. Any type of commercial or residential use is allowed.

I should note that the renderings have not been vetted with HPRB or pre-construction consultant, so we do not know if this design is economically or historically feasible, and so is subject to change. I'm not worried about the zoning or massing an height, however, since we have been advised by HPRB (and zoning counsel) that these are fine.

Let me know if I can provide more information – I can get you more detail on the ground lease structure when needed.

Thanks,

Josh Adler
202-882-0808
202-368-9669

From: Josh Adler <josh@lakritzadler.com>
Sent: Monday, September 29, 2008 12:26 PM
To: 'robb@lakritzadler.com'
Subject: FW: Listing Agreement for 1920 8th Street, NW
Attach: CBRE Listing Agreement - 1920 8th Street.DOC

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, July 17, 2008 11:58 AM
To: 'robb@lakritzadler.com'
Subject: FW: Listing Agreement for 1920 8th Street, NW

Listing Agreement file.

From: Perkins, Dennis @ Washington [mailto:Dennis.Perkins@cbre.com]
Sent: Thursday, July 10, 2008 3:25 PM
To: josh@lakritzadler.com
Cc: Jarvis, Ernest @ Washington DC
Subject: Listing Agreement for 1920 8th Street, NW

Josh,

Attached please find our listing agreement for 1920 8th Street, NW. Once you have had a chance to review, please let us know if you have any questions. Otherwise we look forward to setting up a time for a project kickoff meeting.

Best,

Dennis Perkins | Vice President
CB Richard Ellis | Brokerage Services
750 9th Street, NW Suite 900 | Washington, DC 20001
T 202 585 5718 | F 202 783 1723
dennis.perkins@cbre.com | www.cbre.com

Please consider the environment before printing this email.

This email may contain information that is confidential or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

CBRE
CB RICHARD ELLIS
EXCLUSIVE LISTING AGREEMENT
CB RICHARD ELLIS, INC.
BROKERAGE AND MANAGEMENT
LICENSED REAL ESTATE BROKER

1. In consideration of the listing for lease of the real property hereinafter described (the "Property") by CB RICHARD ELLIS, INC. ("Broker") and Broker's agreement to use its best efforts to effect a lease or leases of same, the undersigned ("Owner") hereby grants to Broker the exclusive right to negotiate a lease or leases of the Property for a period commencing September 1, 2008, and ending midnight July 31, 2011 (the "Term"). The Property is situated in the City of Washington, D.C., is located at and is further described as the office building at 1920 8th Street, NW, Washington, D.C. References herein to the Property shall be understood to include portions of the Property.

2. Owner agrees to pay Broker a leasing commission equal to three percent (3%) of the aggregate gross lease value, if Broker's Listing Team of Ernest Jarvis and Dennis Perkins procures such lease or five percent (5%) of the aggregate gross lease value, if a cooperating broker, including other salespersons of Broker (except for the Listing Team) procures such lease. Such commission is due and payable to Broker fifty percent (50%) upon full execution and fifty percent (50%) upon the lease commencement date. This commission shall be earned for services rendered if, during the Term: (a) the Property is leased to a tenant procured by Broker, Owner or anyone else; (b) a tenant is procured, by Broker, Owner, or anyone else, who is ready, willing and able to lease the Property on the terms above stated, or on any other terms agreeable to Owner; (c) any contract for the lease of the Property is entered into by Owner; or (d) Owner removes the Property from the market. Broker is authorized to co-operate with and to share its commission with other licensed real estate brokers, regardless of whether said brokers represent prospective tenants or act as Broker's subagents.

3. Owner further agrees to pay Broker a commission in accordance with Paragraph 2, above, if, within one hundred twenty (120) calendar days after the expiration or termination of the Term the Property is leased to, or negotiations continue, resume or commence and thereafter continue leading to the execution of a lease with any person or entity (including his/her/its successors, assigns or affiliates) with whom Broker has negotiated (either directly or through another broker or agent) or to whom the Property has been submitted prior to the expiration or termination of the Term. Broker is authorized to continue negotiations with such persons or entities. Broker agrees to submit a list of such persons or entities to Owner not later than fifteen (15) calendar days following the expiration or termination of the Term, provided, however, that if a written offer has been submitted it shall not be necessary to include the offeror's name on the list.

4. OWNER FURTHER AGREES THAT (a) IF A SALE, EXCHANGE OR OPTION TO PURCHASE THE PROPERTY IS MADE DURING THE TERM TO ANYONE, OR (b) IF, WITHIN ONE HUNDRED TWENTY (120) CALENDAR DAYS AFTER THE EXPIRATION OR TERMINATION OF THE TERM, THE PROPERTY IS SOLD, EXCHANGED, OR AN OPTION TO PURCHASE IS GRANTED, OR NEGOTIATIONS CONTINUE, RESUME OR COMMENCE AND THEREAFTER CONTINUE LEADING TO A SALE, EXCHANGE OR GRANT OF AN OPTION TO ANY PERSON OR ENTITY AS DESCRIBED IN PARAGRAPH 3 ABOVE, OWNER SHALL PAY BROKER A SALES COMMISSION IN THE AMOUNT OF THREE PERCENT (3%) OF THE GROSS SALES PRICE, PAYABLE AT CLOSING.

5. Commissions shall be payable hereunder when earned or at lease execution, closing, closing of escrow, recordation of the deed, or possession by the purchaser or tenant.

6. If security, earnest money or similar deposits made by a prospective tenant or purchaser are forfeited, in addition to any other rights of Broker pursuant to this Agreement, Broker shall be entitled to one-half (1/2) thereof, but not to exceed the total amount of the anticipated commission.

7. To the extent permitted by applicable law, Broker is authorized to deduct its commissions from any deposits, payments or other funds, including proceeds of rental payments or sale, paid by a tenant or purchaser in connection with a transaction contemplated by this Agreement, and Owner hereby irrevocably assigns said funds and proceeds to Broker to the extent necessary to pay said commissions. Broker is authorized to provide a copy of this Agreement to any tenant or escrow or closing agent working on such transaction, and such escrow or closing agent, or tenant, is hereby instructed by Owner to pay Broker's commissions from any such funds or proceeds available. Owner shall remain liable for the entire amount of said commissions regardless of whether Broker exercises its rights under this paragraph.

8. Owner and Broker agree that the Property will be offered in compliance with all applicable federal, state and local anti discrimination laws and regulations.

9. Owner agrees to cooperate with Broker in effecting leases of the Property and immediately to refer to Broker all inquiries of anyone interested in the Property. All negotiations are to be through Broker. Broker is authorized to accept a deposit from any prospective tenant and to handle it in accordance with the instructions of the parties unless contrary to applicable law. Broker is exclusively authorized to advertise the Property and exclusively authorized to place a sign(s) on the Property if, in Broker's opinion, such would facilitate the leasing of the Property. Owner

FOIA CONFIDENTIAL TREATMENT REQUESTED **WMATA-INV 016448**

represents that it is the owner of the Property. Owner and its counsel will be responsible for determining the legal sufficiency of a lease and any other documents relating to any transaction contemplated by this Agreement.

10. Broker shall assemble and produce for Owner's review and approval an offering brochure and/or other marketing materials of a type which is customary for similar properties. Owner shall provide the information in its possession, custody or control regarding the Property necessary for Broker to prepare a professional offering brochure. The cost of such offering brochure shall be borne by Owner. At Broker's option, Owner shall be responsible either (i) to make payment directly to the third party vendors involved in the preparation of the offering materials or (ii) to reimburse Broker for its costs and expenses incurred in the preparation of such materials.

11. Owner agrees to disclose to Broker and to prospective tenants or purchasers any and all information which Owner has regarding present and future zoning and environmental matters affecting the Property and the condition of the Property, including, but not limited to structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks in, on or about the Property. Broker is authorized to disclose any such information to prospective tenants or buyers.

12. Owner acknowledges that Broker is a national brokerage firm and that in some cases it may represent prospective tenants or purchasers. Owner desires that the Property be presented to such persons or entities, and consents to the dual representation created thereby. Broker shall not disclose the confidential information of one principal to the other.

13. In the event that the Property comes under the jurisdiction of a bankruptcy court, Owner shall immediately notify Broker of the same, and shall promptly take all steps necessary to obtain court approval of Broker's appointment, unless Broker shall elect to terminate this Agreement upon said notice.

14. In the event that the Property becomes the subject of foreclosure proceedings prior to the expiration of this Agreement, then this Agreement shall be deemed suspended until such time as the Owner may reacquire his interest in the Property within the Term. If this Agreement is suspended pursuant to this paragraph, Broker shall be free to enter into a listing agreement with any receiver, the party initiating the foreclosure, the party purchasing the Property at a foreclosure sale, or any other person having an interest in the Property.

15. In the event of any dispute between Owner and Broker relating to this Agreement, the Property or Owner or Broker's performance hereunder, Owner and Broker agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of Broker executing this Agreement is located. The arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses, including the costs of the arbitration proceeding, and reasonable attorneys' fees.

16. In the event that Owner lists Property with another broker after the expiration or termination of this Agreement, Owner agrees to provide in the subsequent listing agreement that a commission will not be payable to the new broker with respect to transactions for which Owner remains obligated to pay a commission to Broker under paragraphs 3 or 4 hereof. Owner's failure to do so, however, shall not affect Owner's obligations to Broker under paragraphs 3 or 4 hereof.

17. Each signator to this Agreement represents and warrants that (s)he has full authority to sign this Agreement on behalf of the party for whom (s)he signs and that this Agreement binds such party.

18. This Agreement constitutes the entire agreement between Owner and Broker and supersedes all prior discussions, negotiations and agreements, whether oral or written. No amendment, alteration, cancellation or withdrawal of this Agreement shall be valid or binding unless made in writing and signed by both Owner and Broker. This Agreement shall be binding upon, and shall benefit, the heirs, successors and assignees of the parties.

19. The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

The undersigned Owner hereby acknowledges receipt of a copy of this Agreement.

[Next Page Is Signature Page]

Accepted:

CB Richard Ellis, Inc. **Licensed Real Estate Broker**		_____ **Owner**
By:	_____	By: _____
Title:	Jay B. Olshonsky Managing Director	Title:
Address:	555 11th Street, NW, 3rd Floor Washington, DC 20004	Address:
Date:	_____	Date: _____
Telephone:	202-783-8200	Telephone:

CONSULT YOUR ADVISORS - This document has legal consequences. No representation or recommendation is made by Broker as to the legal or tax consequences of this Agreement or the transaction(s) which it contemplates. These are questions for your attorney and financial advisors.

CONFIDENTIAL LA 617

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016450

From: Josh Adler <josh@lakritzadler.com>
Sent: Monday, October 6, 2008 6:23 PM
To: 'Jarvis, Ernest @ Washington DC' <Ernest.Jarvis@cbre.com>; 'Perkins, Dennis @ Washington' <Dennis.Perkins@cbre.com>
Subject: 1920 8th Street
Attach: CBRE listing agreement 1920 8th St NW 10-7-08.DOC

Ernie & Dennis,

Sorry for the long delay on our mark-up of the 1920 8th listing. We are continuing to negotiate with Banneker as it relates to their Metro deal, but that could take quite a while, it appears, so we'd like to go ahead and get this on the market for build-to-suit for lease or sale.

Take a look at the attached revised agreement – we are ready to go on this.

Thanks,

Josh Adler

LAKRITZ ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

CBRE
CB RICHARD ELLIS

EXCLUSIVE LISTING AGREEMENT

CB RICHARD ELLIS, INC.
BROKERAGE AND MANAGEMENT
LICENSED REAL ESTATE BROKER

1. In consideration of the listing for lease of the real property hereinafter described (the "Property") by CB RICHARD ELLIS, INC. ("Broker") and Broker's agreement to use its best efforts to effect a lease or leases of same, the undersigned ("Owner") hereby grants to Broker the exclusive right to negotiate a lease or leases of the Property, subject to Owner's direction and upon such terms and conditions as approved by Owner in writing, for a period commencing October 7, 2008, and ending midnight July 31, 2011 (the "Term"). The Property is located at and is further described as the office building at 1920 8th Street, NW, Washington, D.C. ("Property"). References herein to the Property shall be understood to include portions of the Property.

2. Subject to the terms and provisions of this Agreement, and provided the commission is deemed earned as hereinafter provided, Owner agrees to pay Broker a leasing commission equal to (i) three percent (3%) of the aggregate "Gross Lease Value" (defined as the total base rental payments for the term of the lease, but not including any "pass throughs", such as real estate taxes, common area maintenance expenses, etc., or any concessions or abatements provided to a tenant), if Broker's Listing Team of Ernest Jarvis and Dennis Perkins procures such lease; or (ii) five percent (5%) of the aggregate Gross Lease Value, if a cooperating broker, including other salespersons of Broker (except for the Listing Team) procures such lease; provided, however, that the "term of the Lease" for purposes of calculating a commission hereunder, shall not exceed ten years. Such commission shall be deemed earned, due and payable to Broker within ten (10) days following the date upon which the tenant commences paying rent under the lease (not including any rent paid upon lease execution or any security deposits).

3. This commission shall be earned for services rendered if, during the Term: (a) the Property is leased to a tenant procured by Broker, Owner or anyone else; or (b) any contract for the lease of the Property is entered into by Owner. Broker is authorized to co-operate with and to share its commission with other licensed real estate brokers, regardless of whether said brokers represent prospective tenants or act as Broker's subagents; the Broker shall notify the Owner in writing of any co-brokers or subagents. The Owner shall have no liability or obligation with respect to any commissions or other payments payable to another broker or agent, and the Broker hereby indemnifies and shall defend and hold harmless the Owner (from any loss, cost, damage, expense or liability (including, without limitation, reasonable attorneys' fees) in connection with any commissions, payments or other claims made or claimed by any such other broker or agent. Notwithstanding anything contained in this Agreement to the contrary, Broker shall not be entitled to or paid a commission in the event that a transaction relating to the Property (i.e. a sale or lease of all or any portion of the Property) is effected with either: (i) Meridian Public Charter School (or any affiliates thereof); or (ii) Banneker Ventures, LLC, or Omar Karim and/or Warren Williams (or any principals or affiliates thereof).

4. Owner further agrees to pay Broker a commission in accordance with Paragraph 2, above, if, within thirty (30) calendar days after the expiration or termination of the Term, the Property is leased to a person or entity to whom the Property has been submitted prior to the expiration or termination of the Term. Broker agrees to submit a list of such persons or entities to Owner not later than five (5) business days following the expiration or termination of the Term, time being of the essence. Owner shall have five (5) business days following receipt of such list to object to any parties named on such list by notifying the Broker in writing.

5. If security, earnest money or similar deposits are made by a prospective tenant, Broker shall have no right or claim thereto, whether or not the same is forfeited to the Owner.

6. Owner and Broker agree that the Property will be offered in compliance with all applicable federal, state and local anti discrimination laws and regulations.

12254 v_02 \ 117260.0020

7. Owner agrees to use commercially reasonable efforts to cooperate with Broker in effecting leases of the Property and to refer to Broker all bona fide inquiries (as determined by Owner) of anyone interested in the Property. All negotiations are to be through Broker, subject to Owner's direction and prior written approval as to all terms and conditions of any lease, unless Owner elects to be involved in the negotiations, with or without the Broker. Broker is exclusively authorized to advertise the Property, provided, however, that all advertising materials are subject to the prior written approval of Owner as to content, size, quantity and location. Owner represents that it is the owner of the Property. Owner and its counsel will be responsible for determining the legal sufficiency of a lease and any other documents relating to any transaction contemplated by this Agreement.

8. CB Richard Ellis shall market the Property in a professional manner in accordance with the standard methods and procedures customarily employed by brokerage firms in correction with the marketing of similar properties. CB Richard Ellis shall perform such other duties and functions, as Owner shall request, in connection with the marketing of the Property. Without limiting the generality of the foregoing, Broker shall assemble and produce for Owner's review and written approval an offering brochure and/or other marketing materials of a type which is customary for similar properties. Owner shall provide the information, requested by Broker, in its possession regarding the Property to be included in a professional offering brochure to be prepared by the Broker. The cost of such offering brochure shall be borne by Broker. Broker shall provide a professional offering brochure for Owner's approval no later than ten (10) days after execution of this Agreement.

9. Owner acknowledges that Broker is a national brokerage firm and that in some cases it may represent prospective tenants. Owner desires that the Property be presented to such persons or entities, and consents to the dual representation created thereby, provided that such representation shall not affect or conflict with Broker's obligations to Owner under this Agreement, and Broker advises Owner of such dual representation when presenting an offer to the Owner. Broker shall not disclose any confidential information of one principal to the other.

10. In the event that Owner lists Property with another broker after the expiration or termination of this Agreement, (and provided that such listing agreement is executed within the time frame under which the Broker may be entitled to a commission under this Agreement), Owner shall use good faith efforts to provide in the subsequent listing agreement that a commission will not be payable to the new broker with respect to transactions for which Owner remains obligated to pay a commission to Broker under paragraph 4 hereof. Owner's failure to do so, however, shall not affect Owner's obligations to Broker under paragraphs 4 hereof.

11. Each signatory to this Agreement represents and warrants that (s)he has full authority to sign this Agreement on behalf of the party for whom (s)he signs and that this Agreement binds such party.

12. Each party hereby waives any right to trial by jury in any action arising out of or in connection with this Agreement. In the event of any dispute between Owner and Broker relating to this Agreement, the non-prevailing party shall pay the legal fees and costs of the prevailing party.

13. This Agreement constitutes the entire agreement between Owner and Broker and supersedes all prior discussions, negotiations and agreements, whether oral or written. This Agreement may only be amended by an instrument in writing signed by both Owner and Broker. The Broker shall not have the right to assign its rights or delegate its duties hereunder without the prior written consent of the Owner. This Agreement shall be interpreted under the laws of the District of Columbia.

14. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, sent by a recognized overnight courier (e.g., Federal Express), or if sent by registered or certified mail, return receipt requested, and postage prepaid, to the parties at the addresses specified below. All such notices shall be effective upon receipt or refusal to accept (if hand-delivered or sent by overnight courier) or three (3) business days after mailing (if mailed).

15. Broker hereby certifies that it is licensed to do business in the District of Columbia and that it will comply with all applicable laws, ordinances and regulations concerning the leasing of real property in the District of Columbia. Further, Broker covenants and agrees to:

(a) advise Owner in writing on a regular basis (no less frequently than bi-weekly) of the status of its efforts hereunder (e.g., the names of all persons or entities to whom Broker has submitted the Property for potential lease and any inquiries received by Broker from prospective tenants or other brokers);

(b) promptly respond to Owner's inquiries regarding the status of the leasing of the Property, and attend meetings as reasonably requested by the Owner; and promptly respond to any inquiries made by prospective tenants; and

(c) hold and save Owner free and harmless from and against any and all claims, demands, liability, loss or expense (including without limitation, reasonable attorneys' fees) arising out of the failure of Broker, its agents and employees in the performance of their obligations under this Agreement; and including indemnifying Owner from all loss, cost, damage and expense (including, without limitation, reasonable attorneys' fees) in connection with any claims made by any tenant (whether prospective or actual), cooperating brokers or other brokers relating to the Property, which claims are caused in any way by Broker, its agents or employees. This indemnity shall survive a termination or expiration of this Agreement.

16. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one agreement.

The undersigned Owner hereby acknowledges receipt of a copy of this Agreement.

[Next Page Is Signature Page]

12254 v_02 \ 117260.0020

Accepted:

CB Richard Ellis, Inc.
Licensed Real Estate Broker

By:_____
Jay B. Olshonsky
Title: Managing Director

Address: 555 11th Street, NW, 3rd Floor
Washington, DC 20004

Date:_____

Telephone: 202-783-8200

1920 8th Street, LLC
Owner

By: _____
Robb LaKritz
Title: Member

Address: 4326 8th Street, NW
Washington, DC 20011

Date:_____

Telephone: 202-882-0808

12254 v_02 \ 117260.0020

CONFIDENTIAL

LA 622

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016457

From: Perkins, Dennis @ Washington <Dennis.Perkins@cbre.com>
Sent: Tuesday, October 7, 2008 2:38 PM
To: Josh Adler <josh@lakritzadler.com>; Jarvis, Ernest @ Washington DC <Ernest.Jarvis@cbre.com>
Subject: RE: 1920 8th Street

Josh,

Thank you for the mark-up. Ernie and I will review and get back to you shortly.

Again, thank you for the opportunity and we look forward to getting the project started.

Best,

Dennis Perkins | Vice President
CB Richard Ellis | Brokerage Services
750 9th Street, NW Suite 900 | Washington, DC 20001
T 202 585 5718 | F 202 783 1723
dennis.perkins@cbre.com | www.cbre.com

Please consider the environment before printing this email.

This email may contain information that is confidential or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Monday, October 06, 2008 6:23 PM
To: Jarvis, Ernest @ Washington DC; Perkins, Dennis @ Washington
Subject: 1920 8th Street

Ernie & Dennis,

Sorry for the long delay on our mark-up of the 1920 8th listing. We are continuing to negotiate with Banneker as it relates to their Metro deal, but that could take quite a while, it appears, so we'd like to go ahead and get this on the market for build-to-suit for lease or sale.

Take a look at the attached revised agreement – we are ready to go on this.

Thanks,

Josh Adler

LAKRITZ | ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Jarvis, Ernest @ Washington DC <Ernest.Jarvis@cbre.com>
Sent: Wednesday, October 8, 2008 4:56 PM
To: Josh Adler <josh@lakritzadler.com>; Perkins, Dennis @ Washington <Dennis.Perkins@cbre.com>
Subject: RE: 1920 8th Street

Josh,

Is there a red line version of the changes you noted below? Thanks

Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Monday, October 06, 2008 6:23 PM
To: Jarvis, Ernest @ Washington DC; Perkins, Dennis @ Washington
Subject: 1920 8th Street

Ernie & Dennis,

Sorry for the long delay on our mark-up of the 1920 8th listing. We are continuing to negotiate with Banneker as it relates to their Metro deal, but that could take quite a while, it appears, so we'd like to go ahead and get this on the market for build-to-suit for lease or sale.

Take a look at the attached revised agreement – we are ready to go on this.

Thanks,

Josh Adler

LAKRITZ | ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Wednesday, October 8, 2008 4:59 PM
To: 'Jarvis, Ernest @ Washington DC' <Ernest.Jarvis@cbre.com>
Subject: RE: 1920 8th Street
Attach: WASHDC-#12358-v1-Listing_Agreement_Florida_Avenue_redlined.DOC

Here it is.

From: Jarvis, Ernest @ Washington DC [mailto:Ernest.Jarvis@cbre.com]
Sent: Wednesday, October 08, 2008 4:56 PM
To: Josh Adler; Perkins, Dennis @ Washington
Subject: RE: 1920 8th Street

Josh,

Is there a red line version of the changes you noted below? Thanks

Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Monday, October 06, 2008 6:23 PM
To: Jarvis, Ernest @ Washington DC; Perkins, Dennis @ Washington
Subject: 1920 8th Street

Ernie & Dennis,

Sorry for the long delay on our mark-up of the 1920 8th listing. We are continuing to negotiate with Banneker as it relates to their Metro deal, but that could take quite a while, it appears, so we'd like to go ahead and get this on the market for build-to-suit for lease or sale.

Take a look at the attached revised agreement – we are ready to go on this.

Thanks,

Josh Adler

LAKRITZ ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

~~I.~~

CBRE
CB RICHARD ELLIS

Exclusive Sales Listing Agreement

CB RICHARD ELLIS, INC.
BROKERAGE AND MANAGEMENT
LICENSED REAL ESTATE BROKER

1. In consideration of the listing for sale of the real property hereinafter described (the "Property") by CB RICHARD ELLIS, INC. ("Broker"), and Broker's agreement to use its best efforts to effect a sale of same, the ~~undersigned~~undersigned ("Owner") hereby grants to Broker the exclusive right to ~~sell~~ **negotiate a sale of** the Property, **upon such terms and conditions as are approved by Owner in writing,** for a period commencing September 21, 2008, and ending midnight January 20, 2009 (the "Term"), at a price of five million, six hundred fifty thousand dollars ($5,650,000.00) upon the following terms: Cash, or other terms ~~acceptable to the Owner.~~**as approved by Owner in writing.** The ~~Property~~**property** is ~~situated in Washington, D.C., and is further described as~~ a ~~12,457 square foot~~ commercial and professional building, located at 2031 Florida Avenue, NW, Washington, D.C 20009 **(the "Property")**.

2. **Subject to the terms and provisions of this Agreement, and provided that a commission is deemed earned as hereinafter provided,** Owner agrees to pay Broker a sales commission of three percent (3%) of the total sales price. The sale price for commission calculations shall be the gross sale price reduced by the value of any concessions given from Owner to buyer. This commission shall be **deemed** earned for services rendered if, during the Term, the Property is sold to a purchaser procured by Broker, Owner or anyone else~~.~~**, the closing occurs with respect to such sale and the Owner receives the proceeds of the sale.** Broker is authorized to co-operate with other licensed real estate brokers, regardless of whether said brokers represent prospective purchasers or act as Broker's subagents, and in the event of a sale involving a co-broker, the co-broker will be paid by his/her buyer**; the Broker shall notify the Owner in writing of any co-brokers or subagents. The Owner shall have no liability or obligation with respect to any commissions or other payments payable to another broker or agent, and the Broker hereby indemnifies and shall defend and hold harmless the Owner (from any loss, cost, damage, expense or liability (including, without limitation, reasonable attorneys' fees) in connection with any commissions, payments or other claims made or claimed by any such other broker or agent**.

3. Owner further agrees that Owner shall pay Broker a commission in accordance with the provisions above, if within ~~sixty (60~~**thirty (30)** calendar days after the expiration or termination of the Term, the Property is sold to, or Owner enters into a contract of sale for the Property with~~, or negotiations continue, resume or commence and thereafter continue leading to a sale of the Property to~~ **(and the contract of sale proceeds to closing),** any person or entity ~~(including his/her/its successors, assigns or affiliates) with whom Broker has negotiated (either directly or through another broker or agent) or~~ to whom the Property has been submitted prior to the expiration or termination of the Term~~. Broker is authorized to continue negotiations with such persons or entities.~~ **, provided that the** Broker agrees to submit a list of such persons or entities to Owner no later than ~~fifteen (15) calendar~~**five (5) business** days following the expiration or termination of the Term, ~~provided, however, that if a written offer has been submitted then it shall not be necessary to include the offeror's name on the list.~~ **time being of the essence. Owner shall have five (5) business days following receipt of such list to object to any parties named on such list by notifying the Broker in writing.**

4. Sale Commissions shall be payable hereunder ~~at closing of escrow or~~ **upon the** recordation of **the** deed **of conveyance** and upon Owner's receipt of the net sale proceeds. ~~In the event there is a forfeited deposit, Owner agrees to pay Broker 50% of the deposit, not to exceed the commission amount that would have been due had the sale taken place, after deducting from the deposit amount the costs, legal or otherwise, associated with Owner's collection of the deposit and any and all of Owner's costs associated with the termination of the aborted sale transaction~~**Broker shall have no right or claim to any deposit paid by a prospective purchaser**.

5. Unless otherwise provided herein, the terms of sale shall be, at the option of the ~~purchaser~~**Owner**, either cash or cash to any existing loan. Any offer may contain normal and customary contingencies such as those relating to the condition of the Property, title report, and timing of closing~~.~~**, provided that any contingency is approved in writing by Owner.**

Formatted: Font: Times New Roman, 12 pt, Not Strikethrough

Formatted: Font color: Auto, Not Double strikethrough, No effect

Formatted: Font: Times New Roman, 12 pt, Not Strikethrough

6. Owner and Broker agree that the Property will be offered in compliance with all applicable anti-discrimination laws.

7. Owner agrees to **use commercially reasonable efforts to** cooperate with Broker in bringing about a sale of the Property and to refer ~~immediately~~ to Broker all **bona fide** inquiries **(as determined by Owner)** of anyone interested in the Property. All negotiations are to be through Broker~~.~~**, subject to Owner's prior written approval as to all terms, unless Owner elects to be involved in the negotiations, with or without the Broker.** Broker is exclusively authorized to advertise the Property for sale, ~~and, to place a sign(s) on the Property~~**at Broker's expense,** if, in Broker's opinion, such would facilitate the sale of the Property ~~and is approved by Owner.~~**, provided however, that all advertising materials are subject to the prior written approval of Owner as to content, size, quantity and location.** Broker will be reimbursed up to $1,500.00 for marketing expenses based on a budget submitted by Broker and approved by Owner~~. In the event the property doesn't sell or owner removes the property from market, Owner shall be responsible for the~~ **in writing, and upon submission by Broker of invoices evidencing the expenditure of** marketing expenses ~~within 30 days of a written bill from the Broker.~~**, which invoices shall be submitted no later than the expiration of the Term.** Owner and its counsel will be responsible for determining the legal sufficiency of a purchase and sale agreement and other documents relating to any transaction contemplated by this Agreement.

8. ~~Owner agrees to disclose to Broker and to prospective purchasers any and all information which Owner has regarding present and future zoning and environmental matters affecting the Property and regarding the condition of the Property, including, but not limited to structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks, in, on, or about the Property. Broker is authorized to disclose any such information to prospective purchasers or tenants~~**[Intentionally Omitted]**.

9. Owner represents that no person or entity who has an ownership interest in the Property is a foreign person as defined in the Foreign Investment in Real Property Tax Act (commonly known as "FIRPTA").

10. Owner acknowledges that Broker is a national brokerage firm and that in some cases it may represent prospective purchasers ~~and tenants.~~. Owner desires that the Property be presented to such persons or entities and consents to the dual representation created thereby **provided that such representation shall not affect or conflict with Broker's obligations to Owner under this Agreement, and Broker advises Owner of such dual representation when presenting an offer to the Owner**. Broker shall not disclose ~~the~~ **any** confidential information of one principal to the other.

~~11. In the event of any dispute between Owner and Broker relating to this Agreement, the Property or Owner or Broker's performance hereunder, Owner and Broker agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses, including the costs of the arbitration proceeding, and reasonable attorneys' fees.~~

Formatted: Font: 12 pt, Font color: Red, Strikethrough

12. **[Intentionally Omitted].**

Formatted: Font: 12 pt, Bold, Underline, Font color: Blue

13. CB Richard Ellis shall market the ~~property~~**Property** in a professional manner in accordance with the standard methods and procedures customarily employed by brokerage firms in correction with the marketing of similar properties. CB Richard Ellis shall perform such other duties and functions, as Owner shall request, in connection with the marketing of the ~~property.~~**Property. Without limiting the foregoing, Broker shall assemble and provide for Owner's review and written approval an offering brochure and/or other marketing materials of a type which is customary for similar properties.**

14. Each ~~signator~~**signatory** to this Agreement represents and warrants that he or she has full authority to sign this Agreement on behalf of the party for whom he or she signs and that this Agreement binds such party.

15. ~~The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the~~

~~Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.~~ Each party hereby waives any right to trial by jury in any action arising out of or in connection with this Agreement. In the event of a dispute between Owner and Broker relating to this Agreement, the non-prevailing party shall pay the legal fees and costs of the prevailing party.

16. This Agreement constitutes the entire agreement between Owner and Broker and supersedes all prior discussions, negotiations and agreements, whether oral or written. This Agreement may only be amended by an instrument in writing signed by both Owner and Broker. The Broker shall not have the right to assign its rights or delegate its duties hereunder without the prior written consent of the Owner. This Agreement shall be interpreted under the laws of the District of Columbia.

17. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, sent by a recognized overnight courier (e.g., Federal Express), or if sent by registered or certified mail, return receipt requested, and postage prepaid, to the parties at the addresses specified below. All such notices shall be effective upon receipt or refusal to accept (if hand-delivered or sent by overnight courier) or three (3) business days after mailing (if mailed).

18. Broker hereby certifies that it is licensed to do business in the District of Columbia and that it will comply with all applicable laws, ordinances and regulations concerning the sale of real property in the District of Columbia. Further, Broker covenants and agrees to:

(a) advise Owner in writing on a regular basis (no less frequently than bi-weekly) of the status of its efforts hereunder (e.g., the names of all persons or entities to whom Broker has submitted the Property for potential sale and any inquiries received by Broker from prospective purchasers or other brokers);

(b) promptly respond to Owner's inquiries regarding the status of the sale of the Property, and attend meetings as reasonably requested by the Owner; and promptly respond to any inquiries made by prospective purchasers; and

(c) hold and save Owner free and harmless from and against any and all claims, demands, liability, loss or expense (including without limitation, reasonable attorneys' fees) arising out of the failure of Broker, its agents and employees in the performance of their obligations under this Agreement; and including indemnifying Owner from all loss, cost, damage and expense (including, without limitation, reasonable attorneys' fees) in connection with any claims made by any purchaser (whether prospective or actual), cooperating brokers or other brokers relating to the Property, which claims are caused in any way by Broker, its agents or employees. This indemnity shall survive a termination or expiration of this Agreement.

19. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one agreement.

The undersigned Owner hereby acknowledges receipt of a copy of this Agreement.

Formatted: Font: 12 pt, Bold, Underline, Font color: Blue

Formatted: Font: 12 pt, Font color: Red, Strikethrough

Formatted: Font: 12 pt, Bold, Underline, Font color: Blue

Accepted:

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

WASHDC-412358-v1-Listing_Agreement_Florida_Avenue_redlined.DOC

CB Richard Ellis, Inc.
2031 Florida, LLC
Licensed Real Estate Broker
Owner

By:
By:
~~By:~~

Title: Managing Director
Title:
Managing Member

Address: 750 9th Street, NW, Suite 900
~~Washington, DC 20001~~

~~Date:~~

~~Telephone:~~ (202) 783-8200

~~2031 Florida LLC~~
~~Owner~~

~~By:~~

~~Title: Managing Member~~

Address: 4326 8th Street, NW
Washington, DC 20001
Washington, DC 20011

Date:
Date:

Telephone: (202) 783-8200
Telephone: (202) 882-0808

Formatted: Font: 12 pt, Font color: Red, Strikethrough
Formatted: Underline, Font color: Blue
Formatted: Font: 12 pt, Not Bold, Font color: Red, Strikethrough
Formatted: Underline, Font color: Blue
Formatted: Font: 12 pt, Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: 12 pt, No underline, Font color: Red, Strikethrough
Formatted: Font: 12 pt, Font color: Red, Strikethrough
Formatted: Font: 12 pt, Font color: Red, Strikethrough
Formatted: Font: 12 pt, Font color: Red, Strikethrough
Formatted: Font: 12 pt, Font color: Red, Strikethrough
Formatted: Font: 12 pt, Font color: Red, Strikethrough
Formatted: Font: 12 pt, No underline, Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: 12 pt, Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: 12 pt, Font color: Red, Strikethrough
Formatted: Font: 12 pt, No underline, Font color: Red, Strikethrough
Formatted: Font: 12 pt, Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Times New Roman, 12 pt, Not Strikethrough, Double strikethrough, Marching Black Ants
Formatted: Font color: Auto, Not Double strikethrough, No effect
Formatted: Font color: Auto, Not Double strikethrough, No effect
Formatted: Font: 12 pt, Font color: Red, Strikethrough
Formatted: Font: Times New Roman, 12 pt, Not Strikethrough, Double strikethrough, Marching Black Ants
Formatted: Font: 12 pt, Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Double underline, Font color: Blue, Marching Black Ants
Formatted: Font: 12 pt, Font color: Red, Strikethrough

WASEDC-412358-v1-Listing_Agreement_Florida_Avenue_redlined.DOC

~~CONSULT YOUR ADVISORS – This document has legal consequences. No representation or recommendation is made by Broker as to the legal or tax consequences of this Agreement or the transaction(s), which it contemplates. These are questions for your attorney and financial advisors.~~
~~12358.01.117260.0001~~

Formatted: Font: 12 pt, Font color: Red, Strikethrough

Formatted: Font: 12 pt, Not Bold, Font color: Red, Strikethrough

Formatted: Font: 12 pt, Font color: Red, Strikethrough

Formatted: Font: Bold, Underline, Font color: Blue

Formatted: Font: 12 pt, Bold, Underline, Font color: Blue

From: Josh Adler <josh@lakritzadler.com>
Sent: Wednesday, October 8, 2008 5:00 PM
To: 'Jarvis, Ernest @ Washington DC' <Ernest.Jarvis@cbre.com>
Subject: RE: 1920 8th Street
Attach: WASHDC-#12357-v1-Listing_Agreement_1920_8th_Street__NW_redlined.DOC

Oops. Sorry, that was the wrong one. This is it.

From: Jarvis, Ernest @ Washington DC [mailto:Ernest.Jarvis@cbre.com]
Sent: Wednesday, October 08, 2008 4:56 PM
To: Josh Adler; Perkins, Dennis @ Washington
Subject: RE: 1920 8th Street

Josh,

Is there a red line version of the changes you noted below? Thanks

Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Monday, October 06, 2008 6:23 PM
To: Jarvis, Ernest @ Washington DC; Perkins, Dennis @ Washington
Subject: 1920 8th Street

Ernie & Dennis,

Sorry for the long delay on our mark-up of the 1920 8th listing. We are continuing to negotiate with Banneker as it relates to their Metro deal, but that could take quite a while, it appears, so we'd like to go ahead and get this on the market for build-to-suit for lease or sale.

Take a look at the attached revised agreement – we are ready to go on this.

Thanks,

Josh Adler

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

CBRE
CB RICHARD ELLIS

EXCLUSIVE LISTING AGREEMENT

CB RICHARD ELLIS, INC.
BROKERAGE AND MANAGEMENT
LICENSED REAL ESTATE BROKER

1. In consideration of the listing for lease of the real property hereinafter described (the "Property") by CB RICHARD ELLIS, INC. ("Broker") and Broker's agreement to use its best efforts to effect a lease or leases of same, the undersigned ("Owner") hereby grants to Broker the exclusive right to negotiate a lease or leases of the Property, **subject to Owner's direction and upon such terms and conditions as approved by Owner in writing,** for a period commencing September 1, 2008, and ending midnight July 31, 2011 (the "Term"). The Property is ~~situated in the City of Washington, D.C., is~~ located at and is further described as the office building at 1920 8th Street, NW, Washington, D.C. **("Property").** References herein to the Property shall be understood to include portions of the Property.

2. **Subject to the terms and provisions of this Agreement, and provided the commission is deemed earned as hereinafter provided,** Owner agrees to pay Broker a leasing commission equal to **(i)** three percent (3%) of the aggregate ~~gross~~**"Gross Lease Value" (defined as the total base rental payments for the term of the** lease~~ value~~**, but not including any "pass throughs", such as real estate taxes, common area maintenance expenses, etc., or any concessions or abatements provided to a tenant),** if Broker's Listing Team of Ernest Jarvis and Dennis Perkins procures such lease; or **(ii)** five percent (5%) of the aggregate ~~gross lease value~~**Gross Lease Value**, if a cooperating broker, including other salespersons of Broker (except for the Listing Team) procures such lease**; provided, however, that the "term of the Lease" for purposes of calculating a commission hereunder, shall not exceed years**. Such commission ~~is~~**shall be deemed earned,** due and payable to Broker ~~fifty percent (50%)~~**within ten (10) days following the date** upon ~~full~~**which the tenant commences paying rent under the lease (not including any rent paid upon lease** execution ~~and fifty percent (50%) upon the lease commencement date.~~ **or any security deposits).**

3. This commission shall be earned for services rendered if, during the Term: (a) the Property is leased to a tenant procured by Broker, Owner or anyone else; **or** (b) ~~a tenant is procured, by Broker, Owner, or anyone else, who is ready, willing and able to lease the Property on the terms above stated, or on any other terms agreeable to Owner; (c)~~ any contract for the lease of the Property is entered into by Owner~~, or (d) Owner removes the Property from the market.~~. Broker is authorized to co-operate with and to share its commission with other licensed real estate brokers, regardless of whether said brokers represent prospective tenants or act as Broker's subagents**; the Broker shall notify the Owner in writing of any co-brokers or subagents. The Owner shall have no liability or obligation with respect to any commissions or other payments payable to another broker or agent, and the Broker hereby indemnifies and shall defend and hold harmless the Owner (from any loss, cost, damage, expense or liability (including, without limitation, reasonable attorneys' fees) in connection with any commissions, payments or other claims made or claimed by any such other broker or agent. Notwithstanding anything contained in this Agreement to the contrary, Broker shall not be entitled to or paid a commission in the event that a transaction relating to the Property (i.e. a sale or lease of all or any portion of the Property) is effected with either: (i) [MERIDIAN] (or any affiliates thereof); or (ii) Banneker Ventures, LLC, or Omar Karim and/or Warren Williams (or any principals or affiliates thereof)**.

4. Owner further agrees to pay Broker a commission in accordance with Paragraph 2, above, if, within ~~one hundred twenty (120~~**thirty (30)** calendar days after the expiration or termination of the Term, the Property is leased to~~, or negotiations continue, resume or commence and thereafter continue leading to the execution of~~ a lease with any person or entity ~~(including his/her/its successors, assigns or affiliates) with whom Broker has negotiated (either directly or through another broker or agent) or~~ to whom the Property has been submitted prior to the expiration or termination of the Term. ~~Broker is authorized to continue negotiations with such persons or entities.~~ Broker agrees to submit a list of such persons or entities to Owner not later than ~~fifteen (15) calendar~~**five (5) business** days following the expiration or termination of the Term, ~~provided, however, that if a written offer has been submitted it shall not be~~

12357 v_01 \ 117260.0020

Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted ... [1]
Formatted: Font color: Red, Strikethrough
Formatted ... [2]
Formatted: Font color: Red, Strikethrough
Formatted ... [3]
Formatted: Font color: Red, Strikethrough
Formatted ... [4]
Formatted ... [5]
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted ... [6]
Formatted ... [7]
Formatted ... [8]
Formatted: Font color: Red, Strikethrough
Formatted ... [9]
Formatted ... [10]
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted ... [11]
Formatted: Font color: Red, Strikethrough

~~necessary to include the offeror's name on the list.~~ **time being of the essence. Owner shall have five (5) business days following receipt of such list to object to any parties named on such list by notifying the Broker in writing.**

~~5. OWNER FURTHER AGREES THAT (a) IF A SALE, EXCHANGE OR OPTION TO PURCHASE THE PROPERTY IS MADE DURING THE TERM TO ANYONE, OR (b) IF, WITHIN ONE HUNDRED TWENTY (120) CALENDAR DAYS AFTER THE EXPIRATION OR TERMINATION OF THE TERM, THE PROPERTY IS SOLD, EXCHANGED, OR AN OPTION TO PURCHASE IS GRANTED, OR NEGOTIATIONS CONTINUE, RESUME OR COMMENCE AND THEREAFTER CONTINUE LEADING TO A SALE, EXCHANGE OR GRANT OF AN OPTION TO ANY PERSON OR ENTITY AS DESCRIBED IN PARAGRAPH 3 ABOVE, OWNER SHALL PAY BROKER A SALES COMMISSION IN THE AMOUNT OF THREE PERCENT (3%) OF THE GROSS SALES PRICE, PAYABLE AT CLOSING.~~

~~6. Commissions shall be payable hereunder when earned or at lease execution, closing, closing of escrow, recordation of the deed, or possession by the purchaser or tenant.~~

~~7.~~ If security, earnest money or similar deposits **are** made by a prospective tenant~~ or purchaser are forfeited, in addition to any other rights of Broker pursuant to this Agreement~~, Broker shall ~~be entitled to one-half (1/2) thereof, but not to exceed the total amount of the anticipated commission.~~

8. ~~To the extent permitted by applicable law, Broker is authorized to deduct its commissions from any deposits, payments or other funds, including proceeds of rental payments or sale, paid by a tenant or purchaser in connection with a transaction contemplated by this Agreement, and Owner hereby irrevocably assigns said funds and proceeds to Broker to the extent necessary to pay said commissions. Broker is authorized to provide a copy of this Agreement to any tenant or escrow or closing agent working on such transaction, and such escrow or closing agent, or tenant, is hereby instructed by Owner to pay Broker's commissions from any such funds~~**have no right** or ~~proceeds available. Owner shall remain liable for the entire amount of said commissions regardless of~~**claim thereto,** whether ~~Broker exercises its rights under this paragraph.~~ **or not the same is forfeited to the Owner.**

9. Owner and Broker agree that the Property will be offered in compliance with all applicable federal, state and local anti discrimination laws and regulations.

10. Owner agrees to **use commercially reasonable efforts to** cooperate with Broker in effecting leases of the Property and ~~immediately~~ to refer to Broker all **bona fide** inquiries **(as determined by Owner)** of anyone interested in the Property. All negotiations are to be through Broker~~. Broker is authorized to accept a deposit from any prospective tenant and to handle it in accordance with the instructions of the parties unless contrary to applicable law. Broker is exclusively authorized to advertise the Property and exclusively authorized to place a sign(s) on the Property if, in Broker's opinion, such would facilitate the leasing of the Property.~~, **subject to Owner's direction and prior written approval as to all terms and conditions of any lease, unless Owner elects to be involved in the negotiations, with or without the Broker. Broker is exclusively authorized to advertise the Property, provided, however, that all advertising materials are subject to the prior written approval of Owner as to content, size, quantity and location.** Owner represents that it is the owner of the Property. Owner and its counsel will be responsible for determining the legal sufficiency of a lease and any other documents relating to any transaction contemplated by this Agreement.

~~11.~~ **CB Richard Ellis shall market the Property in a professional manner in accordance with the standard methods and procedures customarily employed by brokerage firms in correction with the marketing of similar properties. CB Richard Ellis shall perform such other duties and functions, as Owner shall request, in connection with the marketing of the Property. Without limiting the generality of the foregoing,** Broker shall assemble and produce for Owner's review and **written** approval an offering brochure and/or other marketing materials of a type which is customary for similar properties. Owner shall provide the information**, requested by Broker,** in its possession~~, custody or control~~ regarding the Property ~~necessary for Broker~~ to ~~prepare~~**be included in** a professional offering brochure**, to be prepared by the Broker**. The cost of such offering brochure shall be borne by ~~Owner. At Broker's option, Owner shall be responsible either (i) to make payment directly to the third party vendors involved in the preparation of the offering materials or (ii) to reimburse Broker for its costs and expenses incurred in the preparation of such materials.~~

12357 v_01 \ 117260.0020

Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough

12. ~~Owner agrees to disclose to~~ Broker~~, and to prospective tenants or purchasers any and all information which Owner has regarding present and future zoning and environmental matters affecting the Property and the condition of the Property, including, but not limited to structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks in, on or about the Property. Broker is authorized to disclose any such information to prospective tenants or buyers.~~ **Broker shall provide a professional offering brochure for Owner's approval no later than ten (10) days after execution of this Agreement.**

13. Owner acknowledges that Broker is a national brokerage firm and that in some cases it may represent prospective tenants~~ or purchasers~~. Owner desires that the Property be presented to such persons or entities, and consents to the dual representation created thereby**, provided that such representation shall not affect or conflict with Broker's obligations to Owner under this Agreement, and Broker advises Owner of such dual representation when presenting an offer to the Owner**. Broker shall not disclose ~~the~~ **any** confidential information of one principal to the other.

~~14. In the event that the Property comes under the jurisdiction of a bankruptcy court, Owner shall immediately notify Broker of the same, and shall promptly take all steps necessary to obtain court approval of Broker's appointment, unless Broker shall elect to terminate this Agreement upon said notice.~~

~~15. In the event that the Property becomes the subject of foreclosure proceedings prior to the expiration of this Agreement, then this Agreement shall be deemed suspended until such time as the Owner may reacquire his interest in the Property within the Term. If this Agreement is suspended pursuant to this paragraph, Broker shall be free to enter into a listing agreement with any receiver, the party initiating the foreclosure, the party purchasing the Property at a foreclosure sale, or any other person having an interest in the Property.~~

~~16. In the event of any dispute between Owner and Broker relating to this Agreement, the Property or Owner or Broker's performance hereunder, Owner and Broker agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of Broker executing this Agreement is located. The arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses, including the costs of the arbitration proceeding, and reasonable attorneys' fees.~~

17. In the event that Owner lists Property with another broker after the expiration or termination of this Agreement, **(and provided that such listing agreement is executed within the time frame under which the Broker may be entitled to a commission under this Agreement),** Owner agrees**shall use good faith efforts** to provide in the subsequent listing agreement that a commission will not be payable to the new broker with respect to transactions for which Owner remains obligated to pay a commission to Broker under paragraph~~s 3 or~~ 4 hereof. Owner's failure to do so, however, shall not affect Owner's obligations to Broker under paragraphs ~~3 or~~ 4 hereof.

18. Each ~~signator~~**signatory** to this Agreement represents and warrants that (s)he has full authority to sign this Agreement on behalf of the party for whom (s)he signs and that this Agreement binds such party.

19. Each party hereby waives any right to trial by jury in any action arising out of or in connection with this Agreement. In the event of any dispute between Owner and Broker relating to this Agreement, the non-prevailing party shall pay the legal fees and costs of the prevailing party.

20. This Agreement constitutes the entire agreement between Owner and Broker and supersedes all prior discussions, negotiations and agreements, whether oral or written. ~~No amendment, alteration, cancellation or withdrawal of this~~**This** Agreement ~~shall~~ **may only** be ~~valid or binding unless made~~**amended by an instrument** in writing ~~and~~ signed by both Owner and Broker. **The Broker shall not have the right to assign its rights or delegate its duties**

Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue

12357 v_01 \ 117260.0020

hereunder without the prior written consent of the Owner. This Agreement shall be ~~binding upon, and shall benefit, the heirs, successors and assignees~~**interpreted under the laws** of the ~~parties.~~ **District of Columbia.**

21. ~~The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.~~ **All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, sent by a recognized overnight courier (e.g., Federal Express), or if sent by registered or certified mail, return receipt requested, and postage prepaid, to the parties at the addresses specified below. All such notices shall be effective upon receipt or refusal to accept (if hand-delivered or sent by overnight courier) or three (3) business days after mailing (if mailed).**

22. **Broker hereby certifies that it is licensed to do business in the District of Columbia and that it will comply with all applicable laws, ordinances and regulations concerning the leasing of real property in the District of Columbia. Further, Broker covenants and agrees to:**

(a) advise Owner in writing on a regular basis (no less frequently than bi-weekly) of the status of its efforts hereunder (e.g., the names of all persons or entities to whom Broker has submitted the Property for potential lease and any inquiries received by Broker from prospective tenants or other brokers);

(b) promptly respond to Owner's inquiries regarding the status of the leasing of the Property, and attend meetings as reasonably requested by the Owner; and promptly respond to any inquiries made by prospective tenants; and

(c) hold and save Owner free and harmless from and against any and all claims, demands, liability, loss or expense (including without limitation, reasonable attorneys' fees) arising out of the failure of Broker, its agents and employees in the performance of their obligations under this Agreement; and including indemnifying Owner from all loss, cost, damage and expense (including, without limitation, reasonable attorneys' fees) in connection with any claims made by any tenant (whether prospective or actual), cooperating brokers or other brokers relating to the Property, which claims are caused in any way by Broker, its agents or employees. This indemnity shall survive a termination or expiration of this Agreement.

23. **This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one agreement.**

The undersigned Owner hereby acknowledges receipt of a copy of this Agreement.

[Next Page Is Signature Page]

12357 v_01 \ 117260.0020

Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue

Accepted:

CB Richard Ellis, Inc.
Licensed Real Estate Broker

By:_____
Jay B. Olshonsky
Title: Managing Director

Address: 555 11th Street, NW, 3rd Floor
Washington, DC 20004

Date:_____

Telephone: 202-783-8200

_____1920
8th Street, LLC
Owner

By: _____
Robb LaKritz
Title: **Member**

Address: **4326 8th Street, NW**
Washington, DC 20011

Date:_____

Telephone: **202-882-0808**

Formatted: Font: Not Bold, Font color: Red, Strikethrough

Formatted: Underline, Font color: Blue

Formatted: Font: Bold, Underline, Font color: Blue

Formatted: Font: Bold, Underline, Font color: Blue

Formatted: Font: Bold, Underline, Font color: Blue

Formatted: Underline, Font color: Blue

12357 v_01 \ 117260.0020

CONFIDENTIAL

LA 636

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016477

~~tax consequences of this Agreement or the transaction(s) which it contemplates. These are questions for your attorney and financial advisors.~~

~~CONSULT YOUR ADVISORS - This document has legal consequences. No representation or recommendation is made by Broker as to the legal or~~

Formatted: Font: Not Bold, Font color: Red, Strikethrough

Formatted: Underline, Font color: Blue

Formatted: Underline, Font color: Blue

12357 v_01 \ 117260.0020

CONFIDENTIAL

LA 637

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016478

Page 1: [1] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [2] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [3] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [4] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [5] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [6] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [7] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [8] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [9] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [10] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [11] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

From: Josh Adler <josh@lakritzadler.com>
Sent: Wednesday, October 8, 2008 5:01 PM
To: 'Perkins, Dennis @ Washington' <Dennis.Perkins@cbre.com>
Subject: FW: 1920 8th Street
Attach: WASHDC-#12357-v1-Listing_Agreement_1920_8th_Street__NW_redlined.DOC

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Wednesday, October 08, 2008 5:00 PM
To: 'Jarvis, Ernest @ Washington DC'
Subject: RE: 1920 8th Street

Oops. Sorry, that was the wrong one. This is it.

From: Jarvis, Ernest @ Washington DC [mailto:Ernest.Jarvis@cbre.com]
Sent: Wednesday, October 08, 2008 4:56 PM
To: Josh Adler; Perkins, Dennis @ Washington
Subject: RE: 1920 8th Street

Josh,

Is there a red line version of the changes you noted below? Thanks

Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Monday, October 06, 2008 6:23 PM
To: Jarvis, Ernest @ Washington DC; Perkins, Dennis @ Washington
Subject: 1920 8th Street

Ernie & Dennis,

Sorry for the long delay on our mark-up of the 1920 8th listing. We are continuing to negotiate with Banneker as it relates to their Metro deal, but that could take quite a while, it appears, so we'd like to go ahead and get this on the market for build-to-suit for lease or sale.

Take a look at the attached revised agreement – we are ready to go on this.

Thanks,

Josh Adler

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

CBRE

CB RICHARD ELLIS

EXCLUSIVE LISTING AGREEMENT

CB RICHARD ELLIS, INC.
BROKERAGE AND MANAGEMENT
LICENSED REAL ESTATE BROKER

1. In consideration of the listing for lease of the real property hereinafter described (the "Property") by CB RICHARD ELLIS, INC. ("Broker") and Broker's agreement to use its best efforts to effect a lease or leases of same, the undersigned ("Owner") hereby grants to Broker the exclusive right to negotiate a lease or leases of the Property, **subject to Owner's direction and upon such terms and conditions as approved by Owner in writing**, for a period commencing September 1, 2008, and ending midnight July 31, 2011 (the "Term"). The Property is ~~situated in the City of Washington, D.C., is~~ located at and is further described as the office building at 1920 8th Street, NW, Washington, D.C. **("Property").** References herein to the Property shall be understood to include portions of the Property.

2. **Subject to the terms and provisions of this Agreement, and provided the commission is deemed earned as hereinafter provided,** Owner agrees to pay Broker a leasing commission equal to **(i)** three percent (3%) of the aggregate ~~gross~~**"Gross Lease Value" (defined as the total base rental payments for the term of the** lease~~ value~~**, but not including any "pass throughs", such as real estate taxes, common area maintenance expenses, etc., or any concessions or abatements provided to a tenant)**, if Broker's Listing Team of Ernest Jarvis and Dennis Perkins procures such lease; or **(ii)** five percent (5%) of the aggregate ~~gross lease value~~**Gross Lease Value**, if a cooperating broker, including other salespersons of Broker (except for the Listing Team) procures such lease; **provided, however, that the "term of the Lease" for purposes of calculating a commission hereunder, shall not exceed years**. Such commission ~~is~~**shall be deemed earned**, due and payable to Broker ~~fifty percent (50%)~~**within ten (10) days following the date** upon ~~full~~**which the tenant commences paying rent under the lease (not including any rent paid upon lease** execution ~~and fifty percent (50%) upon the lease commencement date.~~ **or any security deposits).**

3. This commission shall be earned for services rendered if, during the Term: (a) the Property is leased to a tenant procured by Broker, Owner or anyone else; **or** (b) ~~a tenant is procured, by Broker, Owner, or anyone else, who is ready, willing and able to lease the Property on the terms above stated, or on any other terms agreeable to Owner; (c)~~ any contract for the lease of the Property is entered into by Owner~~, or (d) Owner removes the Property from the market.~~. Broker is authorized to co-operate with and to share its commission with other licensed real estate brokers, regardless of whether said brokers represent prospective tenants or act as Broker's subagents; **the Broker shall notify the Owner in writing of any co-brokers or subagents. The Owner shall have no liability or obligation with respect to any commissions or other payments payable to another broker or agent, and the Broker hereby indemnifies and shall defend and hold harmless the Owner (from any loss, cost, damage, expense or liability (including, without limitation, reasonable attorneys' fees) in connection with any commissions, payments or other claims made or claimed by any such other broker or agent. Notwithstanding anything contained in this Agreement to the contrary, Broker shall not be entitled to or paid a commission in the event that a transaction relating to the Property (i.e. a sale or lease of all or any portion of the Property) is effected with either: (i) [MERIDIAN] (or any affiliates thereof); or (ii) Banneker Ventures, LLC, or Omar Karim and/or Warren Williams (or any principals or affiliates thereof).**

4. Owner further agrees to pay Broker a commission in accordance with Paragraph 2, above, if, within ~~one hundred twenty (120~~**thirty (30)** calendar days after the expiration or termination of the Term, the Property is leased to~~, or negotiations continue, resume or commence and thereafter continue leading to the execution of~~ a ~~lease with any~~ person or entity ~~(including his/her/its successors, assigns or affiliates) with whom Broker has negotiated (either directly or through another broker or agent) or~~ to whom the Property has been submitted prior to the expiration or termination of the Term. ~~Broker is authorized to continue negotiations with such persons or entities.~~ Broker agrees to submit a list of such persons or entities to Owner not later than ~~fifteen (15) calendar~~**five (5) business** days following the expiration or termination of the Term, ~~provided, however, that if a written offer has been submitted it shall not be~~

12357 v_01 \ 117260.0020

Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted ... [1]
Formatted: Font color: Red, Strikethrough
Formatted ... [2]
Formatted: Font color: Red, Strikethrough
Formatted ... [3]
Formatted: Font color: Red, Strikethrough
Formatted ... [4]
Formatted ... [5]
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted ... [6]
Formatted ... [7]
Formatted ... [8]
Formatted: Font color: Red, Strikethrough
Formatted ... [9]
Formatted ... [10]
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted ... [11]
Formatted: Font color: Red, Strikethrough

~~necessary to include the offeror's name on the list.~~ **time being of the essence. Owner shall have five (5) business days following receipt of such list to object to any parties named on such list by notifying the Broker in writing.**

~~5. OWNER FURTHER AGREES THAT (a) IF A SALE, EXCHANGE OR OPTION TO PURCHASE THE PROPERTY IS MADE DURING THE TERM TO ANYONE, OR (b) IF, WITHIN ONE HUNDRED TWENTY (120) CALENDAR DAYS AFTER THE EXPIRATION OR TERMINATION OF THE TERM, THE PROPERTY IS SOLD, EXCHANGED, OR AN OPTION TO PURCHASE IS GRANTED, OR NEGOTIATIONS CONTINUE, RESUME OR COMMENCE AND THEREAFTER CONTINUE LEADING TO A SALE, EXCHANGE OR GRANT OF AN OPTION TO ANY PERSON OR ENTITY AS DESCRIBED IN PARAGRAPH 3 ABOVE, OWNER SHALL PAY BROKER A SALES COMMISSION IN THE AMOUNT OF THREE PERCENT (3%) OF THE GROSS SALES PRICE, PAYABLE AT CLOSING.~~

~~6. Commissions shall be payable hereunder when earned or at lease execution, closing, closing of escrow, recordation of the deed, or possession by the purchaser or tenant.~~

~~7.~~ If security, earnest money or similar deposits **are** made by a prospective tenant~~ or purchaser are forfeited, in addition to any other rights of Broker pursuant to this Agreement~~, Broker shall ~~be entitled to one-half (1/2) thereof, but not to exceed the total amount of the anticipated commission.~~

8. ~~To the extent permitted by applicable law, Broker is authorized to deduct its commissions from any deposits, payments or other funds, including proceeds of rental payments or sale, paid by a tenant or purchaser in connection with a transaction contemplated by this Agreement, and Owner hereby irrevocably assigns said funds and proceeds to Broker to the extent necessary to pay said commissions. Broker is authorized to provide a copy of this Agreement to any tenant or escrow or closing agent working on such transaction, and such escrow or closing agent, or tenant, is hereby instructed by Owner to pay Broker's commissions from any such funds~~**have no right** or ~~proceeds available. Owner shall remain liable for the entire amount of said commissions regardless of~~**claim thereto,** whether ~~Broker exercises its rights under this paragraph.~~ **or not the same is forfeited to the Owner.**

9. Owner and Broker agree that the Property will be offered in compliance with all applicable federal, state and local anti discrimination laws and regulations.

10. Owner agrees to **use commercially reasonable efforts to** cooperate with Broker in effecting leases of the Property and ~~immediately~~ to refer to Broker all **bona fide** inquiries **(as determined by Owner)** of anyone interested in the Property. All negotiations are to be through Broker~~. Broker is authorized to accept a deposit from any prospective tenant and to handle it in accordance with the instructions of the parties unless contrary to applicable law. Broker is exclusively authorized to advertise the Property and exclusively authorized to place a sign(s) on the Property if, in Broker's opinion, such would facilitate the leasing of the Property.~~, **subject to Owner's direction and prior written approval as to all terms and conditions of any lease, unless Owner elects to be involved in the negotiations, with or without the Broker. Broker is exclusively authorized to advertise the Property, provided, however, that all advertising materials are subject to the prior written approval of Owner as to content, size, quantity and location.** Owner represents that it is the owner of the Property. Owner and its counsel will be responsible for determining the legal sufficiency of a lease and any other documents relating to any transaction contemplated by this Agreement.

~~11.~~ **CB Richard Ellis shall market the Property in a professional manner in accordance with the standard methods and procedures customarily employed by brokerage firms in correction with the marketing of similar properties. CB Richard Ellis shall perform such other duties and functions, as Owner shall request, in connection with the marketing of the Property. Without limiting the generality of the foregoing,** Broker shall assemble and produce for Owner's review and **written** approval an offering brochure and/or other marketing materials of a type which is customary for similar properties. Owner shall provide the information**, requested by Broker,** in its possession~~, custody or control~~ regarding the Property ~~necessary for Broker~~ to ~~prepare~~**be included in** a professional offering brochure**, to be prepared by the Broker**. The cost of such offering brochure shall be borne by ~~Owner. At Broker's option, Owner shall be responsible either (i) to make payment directly to the third party vendors involved in the preparation of the offering materials or (ii) to reimburse Broker for its costs and expenses incurred in the preparation of such materials.~~

12357 v_01 \ 117260.0020

Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough

12. ~~Owner agrees to disclose to~~ Broker~~, and to prospective tenants or purchasers any and all information which Owner has regarding present and future zoning and environmental matters affecting the Property and the condition of the Property, including, but not limited to structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks in, on or about the Property. Broker is authorized to disclose any such information to prospective tenants or buyers.~~ **Broker shall provide a professional offering brochure for Owner's approval no later than ten (10) days after execution of this Agreement.**

13. Owner acknowledges that Broker is a national brokerage firm and that in some cases it may represent prospective tenants~~ or purchasers~~. Owner desires that the Property be presented to such persons or entities, and consents to the dual representation created thereby, **provided that such representation shall not affect or conflict with Broker's obligations to Owner under this Agreement, and Broker advises Owner of such dual representation when presenting an offer to the Owner**. Broker shall not disclose ~~the~~ **any** confidential information of one principal to the other.

~~14. In the event that the Property comes under the jurisdiction of a bankruptcy court, Owner shall immediately notify Broker of the same, and shall promptly take all steps necessary to obtain court approval of Broker's appointment, unless Broker shall elect to terminate this Agreement upon said notice.~~

~~15. In the event that the Property becomes the subject of foreclosure proceedings prior to the expiration of this Agreement, then this Agreement shall be deemed suspended until such time as the Owner may reacquire his interest in the Property within the Term. If this Agreement is suspended pursuant to this paragraph, Broker shall be free to enter into a listing agreement with any receiver, the party initiating the foreclosure, the party purchasing the Property at a foreclosure sale, or any other person having an interest in the Property.~~

~~16. In the event of any dispute between Owner and Broker relating to this Agreement, the Property or Owner or Broker's performance hereunder, Owner and Broker agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of Broker executing this Agreement is located. The arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses, including the costs of the arbitration proceeding, and reasonable attorneys' fees.~~

17. In the event that Owner lists Property with another broker after the expiration or termination of this Agreement, **(and provided that such listing agreement is executed within the time frame under which the Broker may be entitled to a commission under this Agreement),** Owner agrees**shall use good faith efforts** to provide in the subsequent listing agreement that a commission will not be payable to the new broker with respect to transactions for which Owner remains obligated to pay a commission to Broker under paragraph~~s 3 or~~ 4 hereof. Owner's failure to do so, however, shall not affect Owner's obligations to Broker under paragraphs ~~3 or~~ 4 hereof.

18. Each ~~signator~~**signatory** to this Agreement represents and warrants that (s)he has full authority to sign this Agreement on behalf of the party for whom (s)he signs and that this Agreement binds such party.

19. Each party hereby waives any right to trial by jury in any action arising out of or in connection with this Agreement. In the event of any dispute between Owner and Broker relating to this Agreement, the non-prevailing party shall pay the legal fees and costs of the prevailing party.

20. This Agreement constitutes the entire agreement between Owner and Broker and supersedes all prior discussions, negotiations and agreements, whether oral or written. ~~No amendment, alteration, cancellation or withdrawal of this~~**This** Agreement ~~shall~~ **may only** be ~~valid or binding unless made~~**amended by an instrument** in writing ~~and~~ signed by both Owner and Broker. **The Broker shall not have the right to assign its rights or delegate its duties**

12357 v_01 \ 117260.0020

Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue

hereunder without the prior written consent of the Owner. This Agreement shall be ~~binding upon, and shall benefit, the heirs, successors and assignees~~interpreted under the laws of the ~~parties.~~ District of Columbia.

21. ~~The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.~~ All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, sent by a recognized overnight courier (e.g., Federal Express), or if sent by registered or certified mail, return receipt requested, and postage prepaid, to the parties at the addresses specified below. All such notices shall be effective upon receipt or refusal to accept (if hand-delivered or sent by overnight courier) or three (3) business days after mailing (if mailed).

22. Broker hereby certifies that it is licensed to do business in the District of Columbia and that it will comply with all applicable laws, ordinances and regulations concerning the leasing of real property in the District of Columbia. Further, Broker covenants and agrees to:

(a) advise Owner in writing on a regular basis (no less frequently than bi-weekly) of the status of its efforts hereunder (e.g., the names of all persons or entities to whom Broker has submitted the Property for potential lease and any inquiries received by Broker from prospective tenants or other brokers);

(b) promptly respond to Owner's inquiries regarding the status of the leasing of the Property, and attend meetings as reasonably requested by the Owner; and promptly respond to any inquiries made by prospective tenants; and

(c) hold and save Owner free and harmless from and against any and all claims, demands, liability, loss or expense (including without limitation, reasonable attorneys' fees) arising out of the failure of Broker, its agents and employees in the performance of their obligations under this Agreement; and including indemnifying Owner from all loss, cost, damage and expense (including, without limitation, reasonable attorneys' fees) in connection with any claims made by any tenant (whether prospective or actual), cooperating brokers or other brokers relating to the Property, which claims are caused in any way by Broker, its agents or employees. This indemnity shall survive a termination or expiration of this Agreement.

23. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one agreement.

The undersigned Owner hereby acknowledges receipt of a copy of this Agreement.

[Next Page Is Signature Page]

12357 v_01 \ 117260.0020

Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue

Accepted:

CB Richard Ellis, Inc.
Licensed Real Estate Broker

By:_____
Jay B. Olshonsky
Title: Managing Director

Address: 555 11th Street, NW, 3rd Floor
Washington, DC 20004

Date:_____

Telephone: 202-783-8200

_____1920
8th Street, LLC
Owner

By: _____
Robb LaKritz
Title: **Member**

Address: **4326 8th Street, NW**
Washington, DC 20011

Date:_____

Telephone: **202-882-0808**

Formatted: Font: Not Bold, Font color: Red, Strikethrough

Formatted: Underline, Font color: Blue

Formatted: Font: Bold, Underline, Font color: Blue

Formatted: Font: Bold, Underline, Font color: Blue

Formatted: Font: Bold, Underline, Font color: Blue

Formatted: Underline, Font color: Blue

12357 v_01 \ 117260.0020

CONFIDENTIAL LA 645

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016488

~~tax consequences of this Agreement or the transaction(s) which it contemplates. These are questions for your attorney and financial advisors.~~

~~CONSULT YOUR ADVISORS – This document has legal consequences. No representation or recommendation is made by Broker as to the legal or~~

Formatted: Font: Not Bold, Font color: Red, Strikethrough

Formatted: Underline, Font color: Blue

Formatted: Underline, Font color: Blue

12357 v_01 \ 117260.0020

CONFIDENTIAL

LA 646

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016489

Page 1: [1] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [2] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [3] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [4] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [5] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [6] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [7] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [8] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [9] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [10] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [11] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

From: Jarvis, Ernest @ Washington DC <Ernest.Jarvis@cbre.com>
Sent: Wednesday, October 8, 2008 5:06 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: RE: 1920 8th Street

Thanks.

Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Wednesday, October 08, 2008 5:00 PM
To: Jarvis, Ernest @ Washington DC
Subject: RE: 1920 8th Street

Oops. Sorry, that was the wrong one. This is it.

From: Jarvis, Ernest @ Washington DC [mailto:Ernest.Jarvis@cbre.com]
Sent: Wednesday, October 08, 2008 4:56 PM
To: Josh Adler; Perkins, Dennis @ Washington
Subject: RE: 1920 8th Street

Josh,

Is there a red line version of the changes you noted below? Thanks

Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Monday, October 06, 2008 6:23 PM
To: Jarvis, Ernest @ Washington DC; Perkins, Dennis @ Washington
Subject: 1920 8th Street

Ernie & Dennis,

Sorry for the long delay on our mark-up of the 1920 8th listing. We are continuing to negotiate with Banneker as it relates to their Metro deal, but that could take quite a while, it appears, so we'd like to go ahead and get this on the market for build-to-suit for lease or sale.

Take a look at the attached revised agreement – we are ready to go on this.

Thanks,

Josh Adler

LAKRITZ|ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Jarvis, Ernest @ Washington DC <Ernest.Jarvis@cbre.com>
Sent: Thursday, October 9, 2008 3:01 PM
To: Josh Adler <josh@lakritzadler.com>
Cc: Perkins, Dennis @ Washington <Dennis.Perkins@cbre.com>; Olshonsky, Jay @ Washington DC <Jay.Olshonsky@cbre.com>
Subject: RE: 1920 8th Street

Josh,

Dennis and I are very interested in representing your interests on this assignment and we believe we're uniquely qualified. However, we can't agree to the vast majority of your counsel's revisions in the listing agreements. While every agreement is negotiated, counsel's changes fundamentally change the nature of the relationship.

We would welcome the opportunity to go back to the agreement we submitted and make mutually agreed upon edits.

Thanks. Ernie

Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Wednesday, October 08, 2008 5:00 PM
To: Jarvis, Ernest @ Washington DC
Subject: RE: 1920 8th Street

Oops. Sorry, that was the wrong one. This is it.

From: Jarvis, Ernest @ Washington DC [mailto:Ernest.Jarvis@cbre.com]
Sent: Wednesday, October 08, 2008 4:56 PM
To: Josh Adler; Perkins, Dennis @ Washington
Subject: RE: 1920 8th Street

Josh,

Is there a red line version of the changes you noted below? Thanks

Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended

to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Monday, October 06, 2008 6:23 PM
To: Jarvis, Ernest @ Washington DC; Perkins, Dennis @ Washington
Subject: 1920 8th Street

Ernie & Dennis,

Sorry for the long delay on our mark-up of the 1920 8th listing. We are continuing to negotiate with Banneker as it relates to their Metro deal, but that could take quite a while, it appears, so we'd like to go ahead and get this on the market for build-to-suit for lease or sale.

Take a look at the attached revised agreement – we are ready to go on this.

Thanks,

Josh Adler

LAKRITZ ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

Original-Message-ID:982213090
Final-Recipient:robb@lakritzadler.com
Action:Delivered

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Thursday, October 9, 2008 8:46 PM
To: josh@lakritzadler.com
Subject: RE: 1920 8th Street

Let's just cut the deal. I will have a conversation with Stan on this. You and I know the major points by now. We just need to get that sucker up and onto the market as well.

From: josh@lakritzadler.com [mailto:josh@lakritzadler.com]
Sent: Thursday, October 09, 2008 3:38 PM
To: Robb Lakritz
Subject: Fw: 1920 8th Street

From: "Jarvis, Ernest @ Washington DC" <Ernest.Jarvis@cbre.com>
Date: Thu, 9 Oct 2008 14:01:24 -0500
To: Josh Adler<josh@lakritzadler.com>
CC: Perkins, Dennis @ Washington<Dennis.Perkins@cbre.com>; Olshonsky, Jay @ Washington DC<Jay.Olshonsky@cbre.com>
Subject: RE: 1920 8th Street
Josh,

Dennis and I are very interested in representing your interests on this assignment and we believe we're uniquely qualified. However, we can't agree to the vast majority of your counsel's revisions in the listing agreements. While every agreement is negotiated, counsel's changes fundamentally change the nature of the relationship.

We would welcome the opportunity to go back to the agreement we submitted and make mutually agreed upon edits.

Thanks. Ernie

Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Wednesday, October 08, 2008 5:00 PM
To: Jarvis, Ernest @ Washington DC
Subject: RE: 1920 8th Street

Oops. Sorry, that was the wrong one. This is it.

From: Jarvis, Ernest @ Washington DC [mailto:Ernest.Jarvis@cbre.com]
Sent: Wednesday, October 08, 2008 4:56 PM
To: Josh Adler; Perkins, Dennis @ Washington
Subject: RE: 1920 8th Street

Josh,

Is there a red line version of the changes you noted below? Thanks

Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Monday, October 06, 2008 6:23 PM
To: Jarvis, Ernest @ Washington DC; Perkins, Dennis @ Washington
Subject: 1920 8th Street

Ernie & Dennis,

Sorry for the long delay on our mark-up of the 1920 8th listing. We are continuing to negotiate with Banneker as it relates to their Metro deal, but that could take quite a while, it appears, so we'd like to go ahead and get this on the market for build-to-suit for lease or sale.

Take a look at the attached revised agreement – we are ready to go on this.

Thanks,

Josh Adler

LAKRITZ ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Omar A. Karim <okarim@bannekerventures.com>
Sent: Friday, October 10, 2008 4:41 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: Delivered: RE: Letter of Intent w/ BV comments- 1920 8th Street, LLC
Attach: details.txt

Your message was delivered to the recipient.

Original-Message-ID:34258
Final-Recipient:okarim@bannekerventures.com
Action:Delivered

From: Josh Adler <josh@lakritzadler.com>
Sent: Friday, October 10, 2008 4:25 PM
To: 'Anne Corbett' <Anne@culturaldc.org>
Subject: FW: LA- Uptown Arts CLD Covenant with CDCDC
Attach: LA- Uptown Arts CLD Covenant with CDCDC.DOC

Hello Anne,

Here is a sample CLD covenant for Exhibit C, from H&K.

Josh

COMBINED LOT DEVELOPMENT COVENANT

THIS COMBINED LOT DEVELOPMENT COVENANT (the "**Covenant**") is made as of the __ day of _____ 2008 (the "**Effective Date**") by and among THE CULTURAL DEVELOPMENT CORPORATION OF THE DISTRICT OF COLUMBIA, a _____ corporation, its successors, affiliates and assigns ("**Parcel A Owner**"), 1920 8TH STREET LLC, a Delaware limited liability company, its successors, affiliates and assigns ("**Parcel B Owner**"), and the DISTRICT OF COLUMBIA, a municipal corporation acting in its own name, or by and through its agencies, departments or instrumentalities, whether or not such agencies, departments or instrumentalities are specifically identified herein (the "**District**"). Parcel A Owner, Parcel B Owner, and the District hereby ratify, affirm and agree to the following terms, conditions, covenants, warranties, and obligations, including but not limited to, all recitals.

RECITALS

A. When used in this Covenant, the following capitalized terms shall have the meanings indicated:

"**Arts District**" – the zone district known as the Uptown Arts-Mixed Use (ARTS) Overlay District. The regulations governing use and development of land in the Arts District are set forth in Chapter 19 of the District of Columbia Zoning Regulations.

"**Arts Regulations**" – the Zoning Regulations applicable to the Arts District, codified at Chapter 19 of the Zoning Regulations, enacted by the Zoning Commission in Order No. 632 (Case No. 87-7), published at 37 DCR 1450 (February 23, 1990), as amended by the Commission on October 19, 1992, published at 39 DCR 8323 (November 13, 1992), as further amended by the Commission in Order No. 632B, on January 11, 1993, published at 40 DCR 1645, on February 26, 1993, and as further amended by the Commission in Order No. 632C, on October 17, 1994, published at 42 DCR 2403, on May 12, 1995. References in this Covenant to the Arts Regulations shall be to those in effect as of the Effective Date (defined in Paragraph 3 below) of this Covenant.

"**Arts and Arts Related Uses**" – those uses set forth in Section 1908.1 of the Arts Regulations.

"**Combined Lot**" – collectively, Parcel A and Parcel B.

"**Floor Area Ratio**" or "**FAR**" – as defined in the Zoning Regulations. "Gross Floor Area" - as defined in the Zoning Regulations.

"**Land Records**" – the Land Records of the Office of the Recorder of Deeds of the District of Columbia.

"**Parcel A**" – Lots 33 and 34 in Square 238 of the District of Columbia (or any successor tax lot or record lot), containing approximately 4,326 square feet of land area, as the same is more particularly described on Exhibit A.

"**Parcel A Improvements**" – a legitimate theater project occupying space in a building constructed before 1958 and located on Parcel A containing approximately 7,734 square feet of arts and/or arts-related space.

"**Parcel B**" – Lot 46 in Square 393 of the District of Columbia (or any record lot comprised of all of the foregoing), containing approximately 11,320 square feet of land area, as the same are more particularly described on Exhibit B.

"**Parcel B Improvements**" – a proposed building to be located on Parcel B that will contain approximately _____ square feet of nonresidential Gross Floor Area.

"**Retail and Services Uses**" – those uses set forth in Section 1907.1 of the Arts Regulations.

"**Zoning Commission**" – the Zoning Commission for the District of Columbia.

"**Zoning Regulations**" – the Zoning Regulations of the District of Columbia, codified at Title 11, D.C.M.R., July 1995, as amended by subsequent orders of the Zoning Commission. References in this Covenant to the Zoning Regulations shall be to those in effect as of the Effective Date of this Covenant.

B. Parcel A Owner is the record owner of fee simple title to Parcel A. Parcel A Owner has provided to the Office of Planning an up-to-date title report evidencing that Parcel A Owner owns fee simple title to Parcel A.

C. Parcel B Owner is the record owner of fee simple title to Parcel B. Parcel B Owner has provided to the Office of Planning an up-to-date title report evidencing that Parcel B Owner owns fee simple title to Parcel B.

D. The Zoning Commission, pursuant to its authority under the Zoning Act, D.C. Code §§ 6-641.01 through 6-641.15 (2001), on February 23, 1990, enacted amendments to the Zoning Regulations in Zoning Commission Order No. 632 (as amended by Zoning Commission Order Nos. 632-A through 632-C) establishing and mapping the Arts District, which amendments constitute the Arts Regulations.

E. The purposes of the Arts District are, among other things, (i) to expand the housing supply in the Arts District; (ii) to encourage development of residential and commercial buildings; (iii) to encourage uses that increase pedestrian activity; (iv) to provide for an increased presence and integration of the arts and related cultural and arts-related support uses; and (v) to encourage the adaptive reuse of older buildings in the area, all consistent with the Comprehensive Plan of the District of Columbia relating to this specific area of Washington, D.C., which purpose is further elaborated in Section 1900.2 of the Arts Regulations.

F. As an incentive for creating and maintaining preferred uses in the Arts District the Arts Regulations permit combined lot development in accordance with Section 1905 of the Arts Regulations, pursuant to which bonus density, in the form of Gross Floor Area, and the permitted mixture of uses among development sites may be allocated between lots. Section 1905.1(b) of

CONFIDENTIAL LA 660

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016511

the Arts Regulations provides that the maximum floor area for all uses is to be calculated as if the lots were one lot.

G. Parcel A is located in the ARTS/C-3-A zone district. The C-3-A zone district generally provides for a maximum Floor Area Ratio of 4.0, with no more than 2.5 of such Floor Area Ratio devoted to non-residential uses, and a maximum height of 65 feet. The ARTS/C-3-A zone district provides that, with bonus densities for preferred uses, including without limitation arts and arts-related uses such as a legitimate theater, the total permitted Floor Area Ratio shall be 4.5, and the maximum height of buildings, excluding roof structures, shall be 75 feet.

H. Parcel B is located in the ARTS/C-2-B zone district. The C-2-B zone district generally provides for a maximum Floor Area Ratio of 3.5, with no more than 1.5 of such Floor Area Ratio devoted to non-residential uses, and a maximum height of 65 feet. The ARTS/C-2-B zone district provides that, with bonus densities for preferred uses, the maximum Floor Area Ratio shall be 4.5, and the maximum height of buildings shall be 65 feet. In addition, pursuant to Section 1904.3 of the Arts Regulations, a building that includes 3.0 or more FAR devoted to residential use is entitled to a bonus of 0.5 FAR.

I. Parcel A has a land area of 4,326 square feet, for a total maximum permitted development, exclusive of bonuses provided in the Arts Regulations and Zoning Regulations, of 27,304 (4,326 square feet x 4.0) square feet of Gross Floor Area, no more than 10,815 square feet (2.5 FAR) of which may be devoted to nonresidential uses.. The maximum permitted Gross Floor Area on Parcel A inclusive of bonuses is 4.5 FAR, therefore the maximum permitted development on Parcel A is 19,467 (4,326 square feet x 4.5) square feet of Gross Floor Area.

J. Parcel A Owner has constructed a legitimate theater containing 7,734 square feet of Gross Floor Area devoted to arts and/or arts-related uses on Parcel A (the "Parcel A Improvements"). The Parcel A Improvements have a total FAR of 1.79 (7,734/4,326). Pursuant to Section 1904.2 of the Arts Regulations, the Parcel A Improvements have generated 30,936 square feet of bonus density (the sum of (i) 7,734 square feet times 3.0 under Section 1904.2(b) for use as a legitimate theater, and (ii) 7,734 square feet times 1.0 under Section 1904.2(e) as a pre-1958 building being used as a legitimate theater) which may be allocated in accordance with Chapter 19 of the Zoning Regulations.

K. Parcel B has a land area of 11,320 square feet, for a total maximum permitted development, exclusive of bonuses provided for in the Arts Regulations, of 39,620 (11,320 square feet x 3.5) square feet of Gross Floor Area, no more than 16,980 square feet of which may be devoted to nonresidential uses. Pursuant to Section 1904.1 of the Arts Regulations, bonus density may be used to increase the Gross Floor Area of the Parcel B Improvements up to a Floor Area Ratio of 4.5, or 50,940 square feet (11,320 square feet x 4.5). Parcel B Owner is receiving 33,800 square feet of Gross Floor Area via this Covenant to achieve same. Inclusive of bonus density allocated pursuant to Section 1905.1 of the Arts Regulations, the total maximum permitted nonresidential development on Parcel B is 50,780 square feet (16,980 square feet plus 33,800 square feet).

L. Parcel B Owner intends to construct a project on Parcel B, as more fully described in Exhibit C.

CONFIDENTIAL LA 661

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016512

M. Pursuant to Section 1905.1 of the Arts Regulations, Parcel A Owner and Parcel B Owner have entered into this Covenant concerning the Combined Lot, whereby Parcel A Owner shall allocate, and Parcel B Owner shall accept, 33,800 square feet of unused bonus density on Parcel A upon recordation of this Covenant, such that the 33,800 square feet of Parcel A Owner's bonus density shall be allocated to, and used on, Parcel B, thereby reducing the development rights on Parcel A by a like amount.

N. As a result the allocation effected by this Covenant, Parcel A Owner has [redacted] square feet of unused bonus density remaining on Parcel A to allocate to other sites.

O. The Combined Lot (i.e. Parcels A and B combined) will have a total lot area of 15,646 square feet. No single building will have an FAR greater than 5.0.

P. Parcel A Owner intends that Parcel A shall be held, sold, transferred, conveyed, used or occupied subject to the covenants and obligations contained in this Covenant, which covenants and obligations shall run with Parcel A and shall be binding upon Parcel A Owner, its successors, mortgagees, transferees and assigns.

Q. Parcel B Owner intends that Parcel B shall be held, sold, transferred, conveyed, used or occupied subject to the covenants and obligations contained in this Covenant, which covenants and obligations shall run with Parcel B and shall be binding upon Parcel B Owner, its successors, mortgagees, transferees and assigns.

R. Parcel A Owner has obtained and delivered to the Office of Planning, to the satisfaction of the Office of Planning, evidence that there is no person or entity with an interest in Parcel A, which interest was recorded prior to the Effective Date of this Covenant, whose consent is required in order for this Covenant to be fully effective other than those signatures which are a part of this Covenant.

S. Parcel B Owner has obtained and delivered to the Office of Planning, to the satisfaction of the Office of Planning, evidence that there is no person or entity with an interest in Parcel B, which interest was recorded prior to the Effective Date of this Covenant, whose consent is required in order for this Covenant to be fully effective other than those signatures which are a part of this Covenant.

COVENANTS

NOW, THEREFORE, in consideration of the foregoing Recitals, which are a material part of this Covenant, and the mutual terms, conditions and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District, Parcel A Owner and Parcel B Owner agree to and do hereby covenant as follows:

1. Purpose. This Covenant constitutes: (1) a declaration of covenants running in perpetuity with Parcel A and Parcel B, as required by Section 1905.1 of the Arts Regulations, which shall be binding upon Parcel A Owner, as to Parcel A, and Parcel B Owner, as to Parcel B, and all respective successors in interest, mortgagees and assigns of any interest in Parcel A or Parcel B, respectively, and upon the District; (2) an instrument confirming that Parcel A Owner

CONFIDENTIAL LA 662

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016513

has allocated 33,800 square feet of bonus density from Parcel A to Parcel B; (3) an instrument accomplishing the transfer of said 33,800 square feet of Gross Floor Area from Parcel A to Parcel B and confirming the vesting of said 33,800 square feet of Gross Floor Area in Parcel B; and (4) an instrument confirming that the transfer of said 33,800 square feet of Gross Floor Area from Parcel A to Parcel B reduces the bonus density remaining on Parcel A by said 33,800 square feet, leaving Parcel A with [redacted] square feet of bonus density on Parcel A for transfer to another parcel for development within the Arts District.

2. Recitals. The Recitals hereinabove stated are incorporated by reference into the body of this Covenant as if fully set forth herein.

3. Effective Date. This Covenant shall become effective upon the date of its recordation among the Land Records ("**Effective Date**").

4. Parcel B Owner's Declarations. Parcel B Owner hereby subjects Parcel B to the following affirmative and negative conditions, covenants and restrictions:

4.1 Parcel B Owner has the full, unencumbered legal capacity and authority under the laws of the District of Columbia to enter into this Covenant.

4.2 Parcel B Owner represents and warrants that there are no restrictions or adverse claims of record on the use of or otherwise relating to Parcel B or any other obligation or encumbrance of any kind, the requirements of which have not been waived or subordinated, which would impair, delay, prevent or preclude in any manner whatsoever, now or in the future, the performance by Parcel B Owner of its obligations under this Covenant.

4.3 Parcel B Owner represents and warrants to the District as follows:

a) That any Parcel B Improvements to be constructed on Parcel B constitute "new construction" within the meaning of Section 1900.4 of the Arts Regulations.

b) That, as to Parcel B, Exhibit C attached hereto accurately sets forth the maximum permitted Gross Floor Area for all uses on Parcel B.

c) That the correctness of the computations of square feet of Gross Floor Area to be allocated to Parcel B have been verified in writing by the Zoning Administrator and the Office of Planning as shown on the attached Exhibit D.

4.4 Parcel B Owner agrees to construct no more than 4.5 FAR on Parcel B.

4.5 Parcel B Owner acknowledges the benefits to and burdens upon it which are conferred and created by this Covenant. Parcel B Owner consents to enforcement solely by the District administratively, at law or at equity, of the restrictions, covenants, obligations and agreements contained herein, and nothing contained herein shall be deemed to vest any rights in any other party. Parcel B Owner also represents and

CONFIDENTIAL LA 663

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016514

warrants that the remedies set forth in this Covenant are not exclusive and that the District and any agency, department or instrumentality of the District, may pursue other remedies not specifically set forth herein.

4.6 References in this Covenant to "Parcel B Owner" or its "successors" or "assigns" shall be deemed to refer to the party then holding title to Parcel B and/or any improvements thereon. If a party no longer holds title to Parcel B and/or improvements thereon, it shall have no further obligation under this Covenant, except as to any liability which shall have accrued during the time a party held title to Parcel B, and/or improvements thereon. References in this Covenant to agencies, departments or instrumentalities of the District shall be deemed to include agencies, departments or instrumentalities succeeding to the jurisdiction thereof pursuant to the laws of the District.

4.7 It is recognized by the parties hereto that Parcel B Owner is the recipient of 33,800 square feet of bonus density which may or may not be constructed on Parcel B and may be used for any purposes permitted by the Zoning Regulations including residential or non-residential purposes.

5. Parcel A Owner's Declarations. Parcel A Owner hereby subjects Parcel A to the following affirmative and negative conditions, covenants and restrictions:

5.1 Parcel A Owner has the full, unencumbered legal capacity and authority under the laws of the District of Columbia to enter into this Covenant.

5.2 Parcel A Owner represents and warrants that there are no restrictions or adverse claims of record on the use of or otherwise relating to Parcel A or any other obligation or encumbrance of any kind, the requirements of which have not been waived or subordinated, which would impair, delay, prevent or preclude in any manner whatsoever, now or in the future, the performance by Parcel A Owner of its obligations under this Covenant.

5.3 Parcel A Owner represents and warrants to the District as follows:

a) That the correctness of the computations of square feet of Gross Floor Area to be allocated to Parcel B has been verified in writing by the Zoning Administrator and the Office of Planning as shown on the attached Exhibit D.

b) That Parcel A Owner has constructed the Parcel A Improvements on Parcel A, and that as a result of such construction and the unused development rights created thereby on Parcel A, Parcel A Owner shall be entitled to allocate at least 33,800 square feet of Gross Floor Area to Parcel B in accordance with Section 1905 of the Arts Regulations. Upon recordation of this Covenant to effect the allocation of said 33,800 square feet of Gross Floor Area from Parcel A to Parcel B, Parcel A Owner shall have ____ square feet of Gross Floor Area available for allocation from

CONFIDENTIAL LA 664

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016515

Parcel A to other lots in the Arts District in connection with any subsequent combined lot development transactions.

5.4 Parcel A Owner acknowledges the benefits to and burdens upon it which are conferred and created by this Covenant. Parcel A Owner consents to enforcement solely by the District administratively, at law or at equity, of the restrictions, covenants, obligations and agreements contained herein, and nothing contained herein shall be deemed to vest any rights in any other party. Parcel A Owner also represents and warrants that the remedies set forth in this Covenant are not exclusive and that the District and any agency, department or instrumentality of the District, may pursue other remedies not specifically set forth herein.

5.5 References in this Covenant to "Parcel A Owner", or its "successors" or "assigns" shall be deemed to refer to the party or parties then holding title to Parcel A and/or any improvements thereon. If a party no longer holds title to any portion of Parcel A and/or improvements thereon, it shall have no further obligation under this Covenant, except as to any liability which shall have accrued during the time a party held title to any portion of Parcel A and/or improvements thereon. References in this Covenant to agencies, departments or instrumentalities of the District shall be deemed to include agencies, departments or instrumentalities succeeding to the jurisdiction thereof pursuant to the laws of the District.

6. Transfer: Effect of Transfer. Parcel A Owner, Parcel D Owner and the District hereby agree that:

6.1 A total of 33,800 square feet of Gross Floor Area is allocated from Parcel A to Parcel B. The foregoing allocation of 33,800 square feet of Gross Floor Area from Parcel A to Parcel B shall fully and unconditionally vest such Gross Floor Area in Parcel B, and may be utilized on and incorporated into improvements to be constructed on Parcel B as though they were "matter of right". Parcel B Owner shall be entitled to obtain all necessary permits and certificates of occupancy for the construction, use and occupancy of such improvements notwithstanding and independent of any circumstance, condition or development related to Parcel A Owner or Parcel A.

6.2 Nothing in this Covenant shall modify, alter or amend in any way whatsoever the availability or applicability of any other provisions of the Arts Regulations to Parcel A and Parcel B, respectively.

6.3 The Parcel A Owner and the Parcel B Owner acknowledge that either may engage in subsequent combined lot developments. Each Owner agrees that the combined size of the land area and structures included in the instant combined lot development, and the amount of residential and commercial uses contained therein, will increase as a result of subsequent combined lot developments. Should any property included in a future combined lot development engage in a subsequent combined lot development, the size of the previous combined lot will also increase in the same manner, and any subsequent combined lot development covenants involving either of the lots in this Covenant shall include in its calculation of minimum required uses, maximum non-residential uses, and

CONFIDENTIAL LA 665

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016516

maximum permitted density, all of the structures and land area involved in this Covenant plus the area of the land and structures that have been added to this combined lot by virtue of all subsequent combined lot developments that can be traced back to this combined lot development. Parcel A Owner and Parcel B Owner further acknowledge that the affected lots, when combined, must provide the minimum required residential uses, contain no more than the maximum amount of permitted non-residential uses, and comply with the overall applicable density and bulk limitations.

7. Prohibited Liens.

7.1 Parcel A. Parcel A Owner shall use best efforts not to permit any governmental or statutory liens (including tax and mechanics' and materialmen's liens that would take priority over this Covenant) to be filed against Parcel A and the improvements to be constructed on Parcel A, except for real estate taxes and assessments not yet due and payable and liens approved by the District in writing. Parcel A Owner shall use best efforts not to default at any time under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant. If Parcel A Owner is in default under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant, the District may, but has no obligation to, cure such default and shall be entitled to repayment of reasonable expenditures. The use of a "best efforts" standard in this Section 7.1 shall not modify or affect any obligation of Parcel A Owner to perform any obligation otherwise required to be performed under applicable law.

7.2 Parcel B. Parcel B Owner shall use best efforts not to permit any governmental or statutory liens (including tax and mechanics' and materialmen's liens that would take priority over this Covenant) to be filed against Parcel B and the improvements to be constructed on Parcel B, except for real estate taxes and assessments not yet due and payable and liens approved by the District in writing. Parcel B Owner shall use best efforts not to default at any time under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant. If Parcel B Owner is in default under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant, the District may, but has no obligation to, cure such default and shall be entitled to repayment of reasonable expenditures. The use of a "best efforts" standard in this Section 7.2 shall not modify or affect any obligation of Parcel B Owner to perform any obligation otherwise required to be performed under applicable law.

8. Real Covenants/Enforceability. The obligations of Parcel A Owner and Parcel B Owner under this Covenant shall be considered covenants running with Parcel A and Parcel B and shall be binding on any successor owner (including but not limited to the purchaser at any foreclosure sale and any mortgagees at such time such mortgagee becomes an owner of Parcel A or Parcel B, and their successors and assigns). References to "Parcel A Owner", "Parcel B Owner", "successor" or "assign" shall be deemed to refer to the party then holding title to Parcel A, Parcel B, and/or any improvements thereof. If a party no longer owns fee title to all or any portion of Parcel A or Parcel B, and/or improvements thereon, it shall have no further obligation

CONFIDENTIAL LA 666

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016517

under this Covenant with respect to such property of which it no longer owns fee title, except as to any liability which shall have accrued during the time such party owned fee title to said portion of Parcel A, Parcel B, and/or improvements thereon. References in this Covenant to agencies, departments or instrumentalities of the District shall be deemed to include agencies, departments or instrumentalities succeeding to the jurisdiction thereof pursuant to the laws of the District.

9. Payment of Taxes and Other Encumbrances. Parcel A Owner and Parcel B Owner shall use best efforts to pay real estate taxes, any assessments and other public charges for Parcel A and Parcel B, respectively, and the improvements thereon, at any time prior to delinquency; provided, however, that nothing contained herein shall in any way lessen, modify or otherwise affect in any manner whatsoever any current or future exemption that may be available under law to relieve either such lot from payment, in whole or in part, of real estate taxes, assessments or other public charges or the right of the respective lot owners or their respective successors or assigns to pursue the application of any such exemption or appeal any taxes assessed against their respective lots. To the extent possible, all other encumbrances, charges and liens which have legal priority over this Covenant and which have not been subordinated to this Covenant, including prior mortgages and deeds of trust which have not been subordinated to this Covenant, shall be paid when due and shall not be in default. Upon written request by the District, Parcel A Owner and Parcel B Owner, with respect to their respective lots, shall furnish to the District reasonable evidence of payment of these items. The use of a "best efforts" standard in this Section 9 shall not modify or affect any obligation otherwise required to be performed under applicable law.

10. Maintenance – No Waste. Parcel A Owner shall protect and preserve its development and maintain the same in good condition and repair, and shall not commit or permit any waste thereof or thereon.

11. Compliance with Laws. Parcel A Owner and Parcel B Owner shall comply with all District of Columbia laws, ordinances, regulations, covenants, conditions, and restrictions affecting their respective parcels and the projects thereon and shall not commit or (to the extent within their reasonable control) permit any act upon or concerning their respective parcels and the allocation of bonus density and preferred uses in violation of any such laws, ordinances, regulations, covenants, conditions and restrictions.

12. District's Rights to Protect. The District may commence, appear in and defend any action or proceeding which may affect the allocation of the bonus density or the preferred uses or the rights or powers of the District with respect to Parcel A and Parcel B pursuant to this Covenant. If Parcel A Owner and/or Parcel B Owner fail to do any act required under this Covenant, the District, without any obligation to do so, after demand upon the breaching party and without releasing the breaching party from any obligations under this Covenant, may cause the act to be performed in such manner and to such extent as the District may deem necessary to protect the allocation of the bonus density or the preferred uses and to put the breaching party in compliance with this Covenant. The District is authorized to enter upon Parcel A and Parcel B for such purposes.

CONFIDENTIAL LA 667

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016518

13. Joint and Several Liability. Parcel A Owner's and Parcel B Owner's liability shall be several and not joint and several for the performance of any obligations pursuant to the terms of this Covenant. If there is more than one owner of Parcel A, of Parcel B or of any residential units upon Parcel B (such as in a condominium regime), the liability of each such owner for any obligations pursuant to the terms of this Covenant shall be several and not joint and several. Parcel A Owner and Parcel B Owner shall include in their condominium documents, if any, the nature of uses that must be provided within the particular condominium units and state that such uses are subject to this Covenant. Parcel A Owner and Parcel B Owner shall also provide in any leases of space that the use is subject to the requirements of this Covenant. Consistent with the foregoing, an owner of a parcel or a portion of a parcel (such as a condominium regime) shall be liable for the obligations pursuant to the terms of this Covenant only insofar as they relate to the parcel or portion of a parcel owned by such owner.

14. Non-waiver of Terms and Conditions. The District's failure to require prompt enforcement of any required obligation shall not constitute a waiver of the obligation owed or any subsequent required performance of the obligation. No term or condition of this Covenant may be waived or modified except in accordance with Section 15.

15. Modification, Amendment and Termination. This Covenant shall not be modified or amended except by written instrument approved by the Office of Planning and signed by the parties to this Covenant, it being agreed (a) by Parcel B Owner and Parcel A Owner that each shall act in good faith toward the other and use commercially reasonable efforts to promptly modify, amend and/or restate this Covenant at the request of the other party in the event such modification, amendment and/or restatement becomes necessary due to the development plans of Parcel B Owner or Parcel A Owner or as required by applicable law, and (b) by the parties hereto that, in the event the 33,800 square feet of combined lot development rights being allocated to Parcel B pursuant to this Covenant are not used in connection with the construction of the Parcel B Improvements, then this Covenant (and all of the terms and conditions hereof) shall be rendered null and void and of no further force and effect. If the Parcel D Owner does not use the 33,800 square feet of combined lot development rights, it must comply with the Recordation provisions of § 15.3 below, but is not required to comply with the Modification and Amendment provisions of §§ 15.1 and 15.2 below.

15.1 Modifications and Amendments Consistent With the Arts and Zoning Regulations. Any modification or amendment to this Covenant that is consistent with the provisions of the Arts and Zoning Regulations shall be in a form and content approved in writing by the Office of Attorney General, which approval shall include a finding that such modification or amendment is consistent with the Arts Regulations and Zoning Regulations.

15.2 Modifications and Amendments that are Inconsistent with the Arts and Zoning Regulations and/or Termination. No modification or amendment that is not consistent with the Arts Regulations and Zoning Regulation, or termination of this Covenant, shall be effective without the written approval of the Board of Zoning Adjustment after a public hearing on such proposed modification, amendment or termination in accordance with Section 1906 of the Arts Regulations.

CONFIDENTIAL LA 668

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016519

15.3 Recordation. Any modification, amendment or termination shall be promptly recorded in the Land Records by Parcel A Owner against the title to Parcel A and by Parcel B Owner against the title to Parcel B, with copies of such recorded instruments to be sent to the Zoning Administrator of the District and the Office of Planning.

16. Effect of Repeal or Amendment of the Arts Regulations. Nothing herein shall restrict or impair the Zoning Commission for the District of Columbia from exercising its legal power to amend or repeal the Arts Regulations or any Zoning Regulation of the District. Nothing contained herein shall prevent Parcel B Owner or Parcel A Owner from challenging, contesting or supporting such repeal or amendment or the Zoning Regulations or seeking relief from the Board of Zoning Adjustment.

17. Default: Remedies. If either Parcel A Owner or Parcel B Owner ("Defaulting Lot Owner") fails to comply with the provisions of this Covenant, the District may pursue all enforcement actions authorized in law or in equity. Notwithstanding the foregoing, nothing herein shall deprive the Defaulting Lot Owner of the right to pursue an appeal to the appropriate administrative agency or the courts.

18. Assignment. Any and all assigns or successors in interest of Parcel A or Parcel B shall be bound by this Covenant and all other instruments of Parcel A Owner and Parcel B Owner, as applicable, arising from or related to this Covenant.

19. Insurance. Parcel A Owner shall maintain appropriate hazard insurance on its development, providing replacement cost coverage and insuring against loss by fire and such other risks as are customarily covered by extended coverage endorsement. All such insurance shall be for commercially reasonable limits with companies licensed to sell insurance in the District. If requested, Parcel A Owner shall deliver certificates of insurance or copies of all policies to the District. Nothing herein shall waive or modify the terms and provisions of the Condominium Act, D.C. Code §§ 42-1901.01 *et seq.*

20. Condemnation and Insurance Proceeds. Parcel A Owner shall provide reasonable notice to the District of any condemnation proceeding or loss or damage to their respective developments. The District authorizes Parcel A Owner to make a claim for and enter into any compromise or settlement with respect to any proceeds payable as a result of such condemnation, loss or damage. Parcel A Owner will use reasonable business judgment in determining the allocation of condemnation awards or insurance proceeds, subject to the provisions of any mortgage or deed of trust constituting a lien on Parcel A and the rights of any secured party thereunder. Parcel A Owner agrees to apply insurance proceeds for repair or restoration of its development. Nothing herein shall waive or modify the terms and provisions of the Condominium Act, D.C. Code §§ 42-1901.01 *et seq.*

21. Exhibits. All exhibits referred to in this Covenant are incorporated in this Covenant in full by this reference and made an integral part of this Covenant. The following constitute the exhibits to this Covenant:

CONFIDENTIAL LA 669

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016520

A	–	Legal Description of Parcel A
B	–	Legal Description of Parcel B
C	–	Calculations
D	–	Office of Planning/Zoning Administrator Certification

22. Severability. If any provision of this Covenant or its application to any party or circumstances, other than any provision affecting the allocations of Gross Floor Area contained herein, shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Covenant or the application of such provision to such person or circumstances, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law. If the allocations of Gross Floor Area contained herein are determined to be invalid or unenforceable, this Covenant shall terminate and the parties shall take such action as may be necessary to release this Covenant from the Land Records.

23. Notices. All notices, demands, requests, consents, approvals and other communications which may be or are required to be given hereunder shall be in writing and shall be sent by mailing or delivery as follows:

If to Parcel A Owner:	The Cultural Development Corporation of the District of Columbia 916 G Street, NW Washington, DC 20001 Attention: Anne Corbett
If to Parcel B Owner:	1920 8th Street LLC 4326 8th Street, NW Washington, DC 20011 Attention: Robb LaKritz
With a copy to:	Holland & Knight LLP 2099 Pennsylvania Avenue, N.W. Suite 100 Washington, D.C. 20006-6801 Attention: Christopher H. Collins
If to the District:	Director, Office of Planning 801 N. Capitol Street, N.E. Fourth Floor Washington, D.C. 20002
With a copy to:	Office of Attorney General Chief, Land Use Section 1100 15th Street, N.W.

CONFIDENTIAL LA 670

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016521

Suite 800
Washington, D.C. 20005

Any party may change any address for the purposes of this Covenant by giving notice in accordance with this Section 23 and without complying with Section 15 above.

Each notice, demand, request, consent, approval or other communication shall be either (i) sent by registered or certified mail, postage prepaid, or (ii) delivered by hand, and shall be deemed sufficiently given for all purposes hereunder five (5) business days after it shall be mailed or, if delivered by hand, when actually received (or when delivery thereof is refused).

24. Rules of Construction. This Covenant shall be construed so that, whenever applicable, the use of the singular shall include the plural, the use of the plural shall include the singular, and the use of any gender shall be applicable to all genders and shall include corporations, partnerships, limited liability companies, limited partnerships, trusts, and other entities, as applicable.

25. Section Headings. The headings to the various sections have been inserted for convenience of reference only and shall not be used to construe this Covenant.

26. Entire Agreement. This Covenant, including any exhibits and appendices referred to herein, as well as any orders, rules and regulations of the District relating to the subject matter hereof, together with the agreements referred to in the Recitals hereof, contain the entire agreement and understanding among all of the parties with respect to the subject matter of this Covenant, and any prior understandings, agreements, restrictions, promises, warranties, representations, covenants or other undertakings among the parties with respect to the subject matter of this Covenant are hereby revoked.

27. Choice of Law. This Covenant shall be construed and enforced in accordance with and shall be governed by the laws of the District of Columbia (without regard to conflicts of laws principles).

28. Counterparts. This Covenant may be executed in counterparts, each of which shall be deemed an original and all counterparts together shall constitute one and the same covenant.

29. Mortgagee Protection. If the holder of any mortgage, deed of trust or other security instrument encumbering either of Parcel A or Parcel B, or both, notifies the District in writing of the existence of such security instrument, stating the recordation information relating thereto and providing an address to which notices should be sent, (i) the District shall use best efforts to provide such holder with a copy of any notice of default sent to a Defaulting Lot Owner under this Covenant, (ii) such holder shall have the right, but not the obligation, to cure such default within the time periods set forth in this Covenant for the cure thereof by the Defaulting Lot Owner; provided, if possession of the respective lot is necessary to cure such default, and such holder shall promptly undertake and diligently pursue measures to obtain possession, such cure period shall be extended for such period of time as shall be reasonably necessary to permit such holder to obtain possession of such lot and cure such default, but in no

CONFIDENTIAL LA 671

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016522

event shall such cure period be extended for more than six (6) months without the express written authorization of the Office of Planning.

[Signatures on Following Pages]

CONFIDENTIAL LA 672

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016523

IN WITNESS WHEREOF, the parties hereto have caused this Covenant to be executed, acknowledged and delivered as of the day and year first above written.

WITNESS:	THE CULTURAL DEVELOPMENT CORPORATION OF THE DISTRICT OF COLUMBIA, a _____ corporation
	By:_____ Name:_____ Title:_____

BEFORE ME, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date _____, personally well known (or satisfactorily proven by the oath of credible witnesses) to me to be the person whose name is subscribed to the foregoing and annexed Combined Lot Development Covenant bearing date as of _____, 2008 who being by me first duly sworn, did depose and state that s/he is the _____ of The Cultural Development Corporation of the District of Columbia, a _____corporation, and the duly appointed attorney-in-fact for said corporation in the foregoing and annexed Combined Lot Development Covenant, and that s/he, being duty authorized so to do, executed and delivered the foregoing and annexed instrument in the name and on behalf of said corporation and acknowledged the same to be its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this _____ day of _____ 2008.

_____
Notary Public

[Notarial Seal]

My Commission Expires: _____

WITNESS:	1920 8TH STREET, LLC, a Delaware limited liability company By: 1920 8TH STREET VENTURE, LLC, a Delaware limited liability company
	By:_____ Name:_____ Title:_____

District of Columbia) ss:

BEFORE ME, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date _____ personally well known (or satisfactorily proven by the oath of credible witnesses) to me to be the person whose name is subscribed to the foregoing and annexed Combined Lot Development Covenant bearing date as of _____ 2008 who being by me first duly sworn, did depose and state that s/he is the _____ of 1920 8th Street Venture, LLC, a Delaware limited liability company, _____ of 1920 8th Street, LLC, a Delaware limited liability company and the duly appointed attorney-in-fact for said limited liability company in the foregoing and annexed Combined Lot Development Covenant, and that s/he, being duly authorized so to do, executed and delivered the foregoing and annexed instrument in the name and on behalf of said limited liability company and acknowledged the same to be its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this _____ day of _____ 2008.

_____
Notary Public

[Notarial Seal]

My Commission Expires: _____

CONFIDENTIAL LA 674

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016525

IN WITNESS WHEREOF, the Mayor of the District of Columbia, having first considered and approved the foregoing Combined Lot Development Covenant, has directed the execution thereof in the name of the District of Columbia, by the Secretary of the District of Columbia, who has hereunto set her hand and affixed the seal of the District of Columbia hereto under authority of the Act of Congress entitled "An Act to Relieve the Commissioners of the District of Columbia of Certain Ministerial Duties" approved February 11,1932.

WITNESS:	DISTRICT OF COLUMBIA (a municipal corporation)
	By: _____ Name: _____ Title: Secretary of the District of Columbia
[CORPORATE SEAL]	

DISTRICT OF COLUMBIA, SS:

I, _____ a Notary Public in and for the District of Columbia, do hereby certify that _____, who is personally known to me as the person named as Secretary of the District of Columbia in the foregoing Combined Lot Development Covenant bearing date as of _____ 2008, and hereunto annexed, personally appeared before me in said District and, as Secretary as aforesaid, and by virtue of the authority in her vested, acknowledged the same to be the act and deed of the Mayor of the District of Columbia and that she delivered the same as such.

GIVEN under my hand and seal this _____ day of _____, 2008.

_____
Notary Public, D.C.;

My commission expires: _____

APPROVED AS TO LEGAL SUFFICIENCY:

By:_____
District of Columbia Office of Attorney General

CONFIDENTIAL LA 675

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016526

EXHIBIT A
(Legal Description of Parcel A)

All that certain lot or parcel of land, together with all improvements thereon, located and being in the City of Washington in the District of Columbia, and being more particularly described as follows:

[INSERT LEGAL DESCRIPTION FOR PARCEL A]

CONFIDENTIAL LA 676

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016527

EXHIBIT B

Legal Description of Parcel B

All that certain lot or parcel of land, together with all improvements thereon, situate and lying in the District of Columbia, and more particularly described as follows:

[INSERT LEGAL DESCRIPTION FOR PARCEL B]

CONFIDENTIAL LA 677

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016528

EXHIBIT C

Insert Parcel B Calculations

A. Parcel B. Parcel B Owner hereby represents and warrants to the District that, as of the date of this Covenant, the Parcel B Improvements shall not exceed the following and that the following figures are correct and accurate:

1.	Maximum permitted Gross Floor Area for all uses on the Parcel B	

CONFIDENTIAL LA 678

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016529

EXHIBIT D

Insert Office of Planning/Zoning Administrator Certification

#5336462_v2

CONFIDENTIAL

LA 679

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016530

From: Josh Adler <josh@lakritzadler.com>
Sent: Monday, October 13, 2008 6:26 PM
To: 'jolsen@monumentrealty.com'
Subject: 1920 8th St
Attach: 1920 8th St NW Plat.pdf; Florida Ave Metro Sites w Metro Entrance.jpg; 1920 8th NPV.xls; 1920 8th street standalone rendering 12-17-07.jpg

---

Josh,

Attached is the plat and rendering for a by-right office building at 1920 8th Street. The current plans call for a 47,600 SF building, five stories, thus a footprint of about 9,520 SF. We show about 26 parking spaces in a "tuckunder" type garage that would save a lot of construction cost versus doing a true underground garage, but both are options. Under Arts overlay guidelines, site allows up to 4.5 FAR of commercial or residential space, or 50,940 square feet, height limit 65' (of course, you could add additional non-FAR private penthouse space above 65', per Moderno) Zoning is C2B Arts Overlay. Lot is 11,320 SF.

I'm also attaching a Google map showing the immediate surrounding area. Our site is marked "8th Street Lot" and shaded. We are a finalist in competition to buy the adjacent 8,565 SF lot from Metro.

We had Colbert do a residential plan for 1920 8th site a few years ago, and took it through one round with HPRB with no problems on height or mass – they do not have a problem with a new 65' high building at this site.

We will consider selling our ground lease for a one time payment. We're open to other proposals, but that would be our preference.

Key Ground Lease Terms:

The property is a Delaware Limited Liability Company known as 1920 8th Street, LLC, which holds a ground lease and purchase option ("Ground Lease") to an approximately 11,320 square foot vacant lot known as Square 393, Lot 46, also known as 1916-1930 8th Street, NW, Washington, DC, zoned C-2-B Arts Overlay.

The Ground Lease contains the following essential terms:

- Medal, Inc., as Landlord and 1920 8th Street, LLC, as Tenant.
- Commences August 3, 2007, with a one year base term and nine one-year renewal options
- Ground rent of $225,000/year in the first year, $150,000/year for renewal terms 1-4, and $200,000/year for renewal terms 5-9.
- Purchase option exercisable at any time during base term and renewals. Exercise price of $4,800,000 in the base term, increasing by 1.5% in each of the first three renewal terms and then remaining fixed at $5,019,256.20 for the remainder of the renewal terms.
- $100,000 of ground rent, once paid, credited toward the purchase option in the base term and in each of the first two renewal terms, with 100% of ground rent paid following the second renewal term and in every renewal term thereafter credited toward the option price. Therefore the purchase option balance due at the end of the last renewal term (that is, on August 3, 2017) shall be $3,419,256.20.
- A one time fee of $175,000 payable to Landlord for resubordination of Landlord's fee interest in land to Tenant's permanent financing lender (if such lender is different from Tenant's construction lender), to be paid upon the sooner of: 1) resubordination of Landlord fee interest to new lender following substantial completion of project, or 2) upon exercise of purchase option.
- Landlord is obliged under the ground lease to subordinate its unencumbered fee interest in the Property to Tenant's Construction Lender (and subsequent lenders), meaning that Tenant has full use of the land value of the Property as collateral to secure its construction financing.

Thanks,

Josh
Cel 202-368-9669

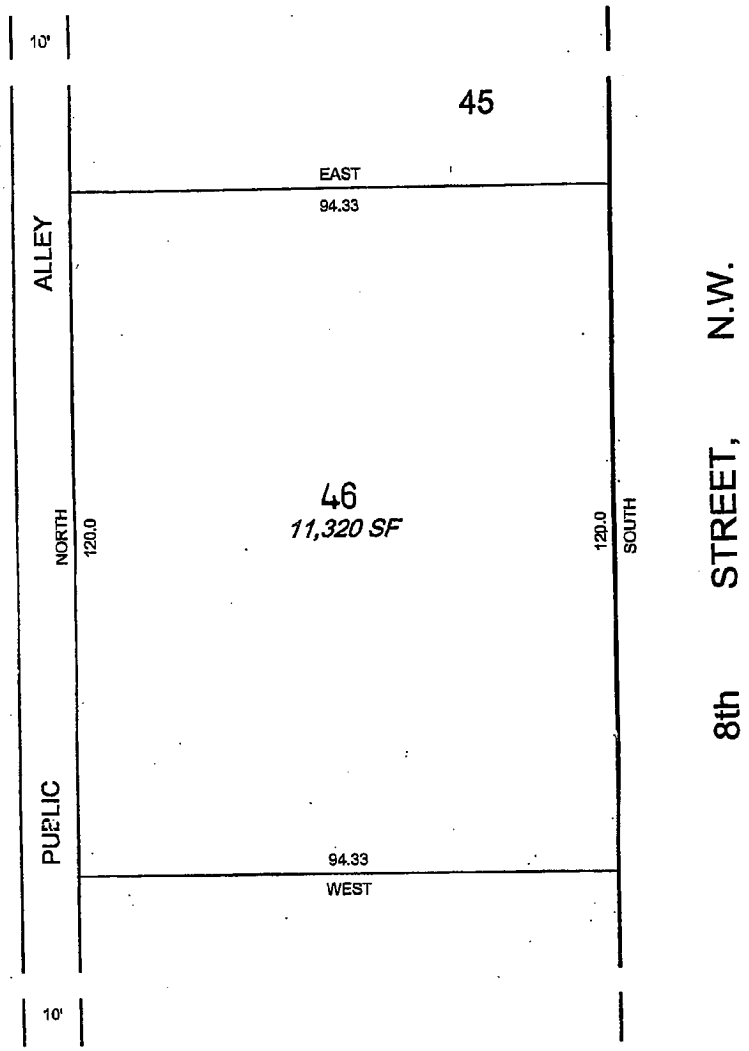
LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 016535

CONFIDENTIAL
LA 682

SUBDIVISION
SQUARE 393



U Street Northwest
U St Metro Entrance
Metro Parcel 1
Metro Parcel 2
5th St Parcel
Metro Parcel 3
Howard CVS + Parking Lot
Westminster Street Northwest
Google

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G
1			Year	1	2	3	4
2	**Effective Discount Rate:**	**14.87%**	Year Ending in August of...	2008	2009	2010	2011
3	Debt Rate	8%	Ground Lease Payments (as of Year End)	*Pre-Paid*	$ 150,000.00	$ 150,000.00	$ 150,000.00
4	Equity Rate	20%	Accumulated Toward Option	$ 100,000.00	$ 200,000.00	$ 300,000.00	$ 450,000.00
5			Option Price at Year End - 1 day	$ 4,875,000.00	$ 4,847,000.00	$ 4,820,080.00	$ 4,744,256.20
6			NPV in Aug 08 if Option Exercised this Year	$ 4,875,000.00	$3,803,857.05	$3,424,242.61	$3,067,984.19
7			(Assume rent paid at year start, option at year end)				
8			Ground Lease Assignment Fee (Paid Aug 2008)	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00
9			Effective Purchase Price	$ 8,375,000.00	$ 7,303,857.05	$ 6,924,242.61	$ 6,567,984.19
10			Potental Floor Area at 4.5 FAR (SF)	50940	50940	50940	50940
11			Effective Price per FAR-foot	$ 164.41	$ 143.38	$ 135.93	$ 128.94
12		2008 Value/FAR-ft					
13		$ 120.00	Property Market Value at Year End, starting at X/FAR-ft	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14			Net Land Equity at Assignment (Replaces Cash Equity)	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15			Percentage Land Value as Cash	57.26%	57.26%	57.26%	57.26%
16			Percentage Land Value as Debt (i.e., "free" equity)	42.74%	42.74%	42.74%	42.74%
17			Debt Rate x Debt Share of Land Equity	3.42%	3.42%	3.42%	3.42%
18			Equity Rate x Cash Share of Land Equity	11.45%	11.45%	11.45%	11.45%
19			Effective Discount Rate (average cost of capital)	14.87%	14.87%	14.87%	14.87%

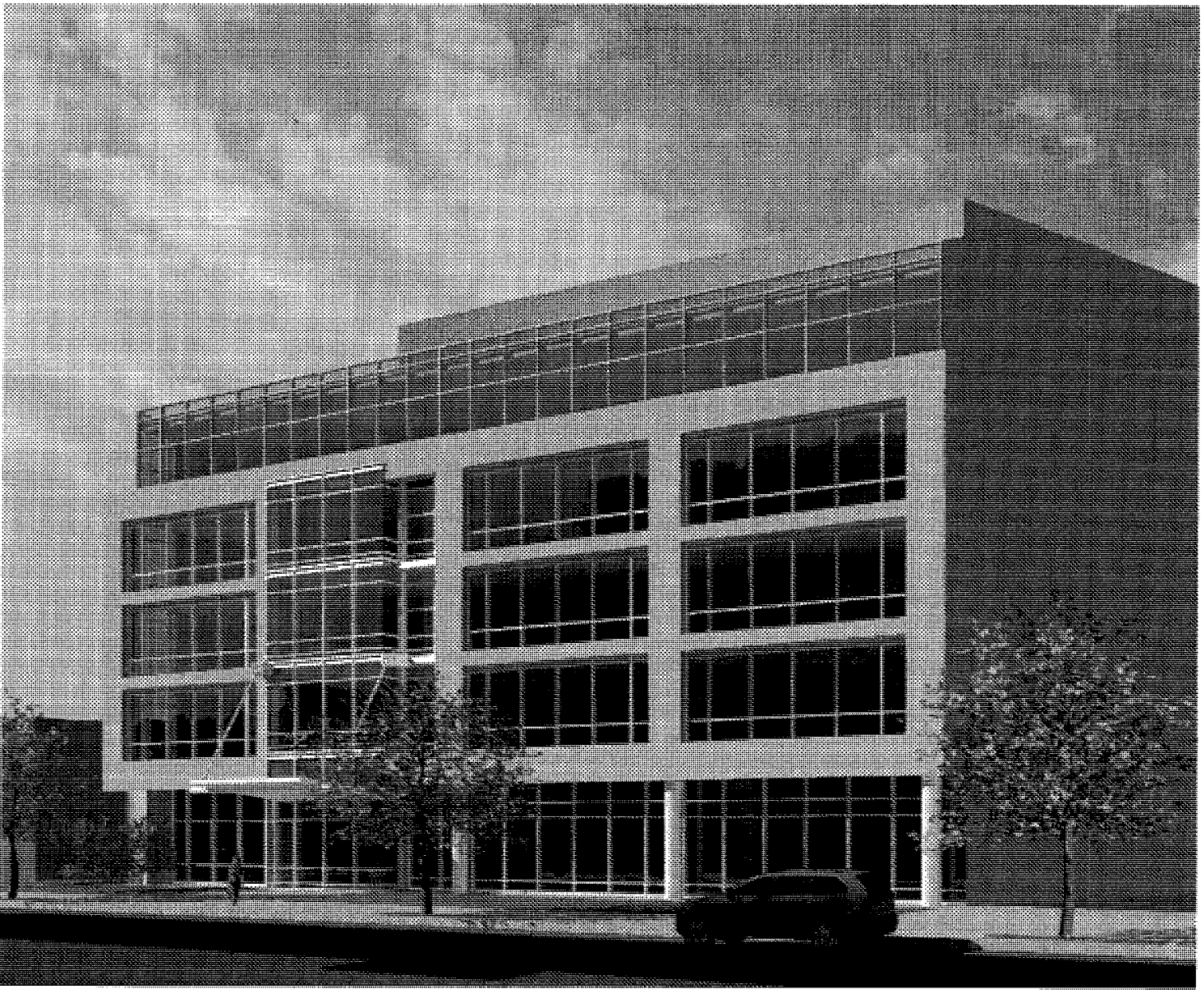
CONFIDENTIAL

WMATA-INV 016539

FOIA CONFIDENTIAL TREATMENT REQUESTED

	H	I	J	K	L	M
1	5	6	7	8	9	10
2	2012	2013	2014	2015	2016	2017
3	$ 150,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00
4	$ 600,000.00	$ 800,000.00	$ 1,000,000.00	$ 1,200,000.00	$ 1,400,000.00	$ 1,600,000.00
5	$ 4,594,256.20	$ 4,394,256.20	$ 4,194,256.20	$ 3,994,256.20	$ 3,794,256.20	$ 3,594,256.20
6	$2,726,396.98	$2,441,975.74	$2,205,644.12	$2,009,717.67	$1,847,695.65	$1,714,083.29
7						
8	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	**$ 3,500,000.00**
9	$ 6,226,396.98	$ 5,941,975.74	$ 5,705,644.12	$ 5,509,717.67	$ 5,347,695.65	$ 5,214,083.29
10	50940	50940	50940	50940	50940	50940
11	$ 122.23	$ 116.65	$ 112.01	$ 108.16	$ 104.98	$ 102.36
12						
13	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15	57.26%	57.26%	57.26%	57.26%	57.26%	57.26%
16	42.74%	42.74%	42.74%	42.74%	42.74%	42.74%
17	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%
18	11.45%	11.45%	11.45%	11.45%	11.45%	11.45%
19	14.87%	14.87%	14.87%	14.87%	14.87%	14.87%

WMATA-INV 016540



From: Jarvis, Ernest @ Washington DC <Ernest.Jarvis@cbre.com>
Sent: Tuesday, October 14, 2008 3:33 PM
To: Josh Adler <josh@lakritzadler.com>
Cc: Perkins, Dennis @ Washington <Dennis.Perkins@cbre.com>
Subject: FW: 1920 8th Street
Attach: WASHDC-#12357-v1-Listing_Agreement_1920_8th_Street__NW_redlined.DOC

Josh, Please note the changes to the attached. Changes are highlighted in yellow and purple. The document is getting a little complicated so lets talk soon. Ernie

Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Cha, Cindy @ Washington DC
Sent: Monday, October 13, 2008 4:29 PM
To: Jarvis, Ernest @ Washington DC
Subject: RE: 1920 8th Street

Hi Ernie,

The revised document is attached.

Cindy

From: Jarvis, Ernest @ Washington DC
Sent: Monday, October 13, 2008 4:03 PM
To: Cha, Cindy @ Washington DC
Subject: FW: 1920 8th Street

Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Wednesday, October 08, 2008 5:00 PM
To: Jarvis, Ernest @ Washington DC
Subject: RE: 1920 8th Street

Oops. Sorry, that was the wrong one. This is it.

From: Jarvis, Ernest @ Washington DC [mailto:Ernest.Jarvis@cbre.com]
Sent: Wednesday, October 08, 2008 4:56 PM
To: Josh Adler; Perkins, Dennis @ Washington
Subject: RE: 1920 8th Street

Josh,

Is there a red line version of the changes you noted below? Thanks

Ernest Drew Jarvis | Managing Director
CB Richard Ellis | Washington, D.C. Office
750 9th Street, NW Suite 900 | Washington DC 20001
T 202 585 5583 | F 202 783 1723
ernest.jarvis@cbre.com | www.cbre.com
This email may contain information that is confidential and/or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Monday, October 06, 2008 6:23 PM
To: Jarvis, Ernest @ Washington DC; Perkins, Dennis @ Washington
Subject: 1920 8th Street

Ernie & Dennis,

Sorry for the long delay on our mark-up of the 1920 8th listing. We are continuing to negotiate with Banneker as it relates to their Metro deal, but that could take quite a while, it appears, so we'd like to go ahead and get this on the market for build-to-suit for lease or sale.

Take a look at the attached revised agreement – we are ready to go on this.

Thanks,

Josh Adler

LAKRITZ ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

CBRE
CB RICHARD ELLIS

EXCLUSIVE LISTING AGREEMENT

CB RICHARD ELLIS, INC.
BROKERAGE AND MANAGEMENT
LICENSED REAL ESTATE BROKER

1. In consideration of the listing for lease of the real property hereinafter described (the "Property") by CB RICHARD ELLIS, INC. ("Broker") and Broker's agreement to use its best efforts to effect a lease or leases of same, the undersigned ("Owner") hereby grants to Broker the exclusive right to negotiate a lease or leases of the Property, **subject to Owner's direction and upon such terms and conditions as approved by Owner in writing,** for a period commencing September 1, 2008, and ending midnight July 31, 2011 (the "Term"). The Property is ~~situated in the City of Washington, D.C., is~~ located at and is further described as the office building at 1920 8th Street, NW, Washington, D.C. **("Property").** References herein to the Property shall be understood to include portions of the Property.

2. **Subject to the terms and provisions of this Agreement, and provided the commission is deemed earned as hereinafter provided,** Owner agrees to pay Broker a leasing commission equal to **(i)** three percent (3%) of the aggregate ~~gross~~**"Gross Lease Value" (defined as the total base rental payments for the term of the** lease ~~value~~**, but not including any "pass throughs", such as real estate taxes, common area maintenance expenses, etc., or any concessions or abatements provided to a tenant),** if Broker's Listing Team of Ernest Jarvis and Dennis Perkins procures such lease; or **(ii)** five percent (5%) of the aggregate ~~gross lease value~~**Gross Lease Value**, if a cooperating broker, including other salespersons of Broker (except for the Listing Team) procures such lease; **provided, however, that the "term of the Lease" for purposes of calculating a commission hereunder, shall not exceed ____ years.** ~~Such commission shall be deemed earned, due and payable to Broker fifty percent (50%) within ten (10) days following the date upon the which the tenant commences paying rent under the lease (not including any rent paid upon lease execution) and fifty percent (50%) upon the lease commencement date (or any security deposit).~~

3. This commission shall be earned for services rendered if, during the Term: (a) the Property is leased to a tenant procured by Broker, Owner or anyone else; **or** (b) ~~a tenant is procured, by Broker, Owner, or anyone else, who is ready, willing and able to lease the Property on the terms above stated, or on any other terms agreeable to Owner; (c)~~ any contract for the lease of the Property is entered into by Owner~~; or (d) Owner removes the Property from the market.~~. Broker is authorized to co-operate with and to share its commission with other licensed real estate brokers, regardless of whether said brokers represent prospective tenants or act as Broker's subagents; **the Broker shall notify the Owner in writing of any co-brokers or subagents. The Owner shall have no liability or obligation with respect to any commissions or other payments payable to another broker or agent.** ~~and the Broker hereby indemnifies and shall defend and hold harmless the Owner (from any loss, cost, damage, expense or liability (including, without limitation, reasonable attorneys' fees) in connection with any commissions, payments or other claims made or claimed by any such other broker or agent. Notwithstanding anything contained in this Agreement to the contrary,~~ **Broker shall not be entitled to or paid a commission in the event that a transaction relating to the Property (i.e. a sale or lease of all or any portion of the Property) is effected with either: (i)** ~~[MERIDIAN] (or any affiliates thereof); or (ii) Bornecker Ventures, LLC, or Omar Karim and/or Warren Williams (or any principals or affiliates thereof) if a sale occurs within 90 days of the date of expiration of this Agreement. After 90 days, Broker shall be compensated for any sale to the aforementioned parties or principals.~~

4. Owner further agrees to pay Broker a commission in accordance with Paragraph 2, above, if, within one hundred twenty (120~~thirty (30)~~) calendar days after the expiration or termination of the Term, the Property is leased to, or negotiations continue, resume or commence and thereafter continue leading to the execution of a lease with any person or entity (including his/her/its successors, assigns or affiliates) with whom Broker has negotiated (either directly or through another broker or agent) or to whom the Property has been submitted prior to the expiration or termination of the Term. Broker is authorized to continue negotiations with such persons or entities. Broker agrees to submit a list of such persons or entities to Owner not later than fifteen (15) calendar~~five (5) business~~ days following the expiration or termination of the Term, provided, however, that if a written offer has been submitted it shall not be

12357 v_01 \117260.0020

Formatted ... [1]
Formatted ... [2]
Formatted ... [3]
Formatted ... [4]
Formatted ... [5]
Formatted ... [6]
Formatted ... [7]
Formatted ... [8]
Formatted ... [9]
Formatted ... [10]
Formatted ... [11]
Formatted ... [12]
Formatted ... [13]
Formatted ... [14]
Formatted ... [15]
Formatted ... [16]
Formatted ... [17]
Formatted ... [18]
Formatted ... [19]
Formatted ... [20]
Formatted ... [21]
Formatted ... [22]
Formatted ... [23]
Formatted ... [24]
Formatted ... [25]
Formatted ... [26]
Formatted ... [27]
Formatted ... [28]
Formatted ... [29]
Formatted ... [30]
Formatted ... [31]
Formatted ... [32]
Formatted ... [33]
Formatted ... [34]
Formatted ... [35]
Formatted ... [36]
Formatted ... [37]
Formatted ... [38]
Formatted ... [39]
Formatted ... [40]
Formatted ... [41]
Formatted ... [42]
Formatted ... [43]
Formatted ... [44]
Formatted ... [45]
Formatted ... [46]
Formatted ... [47]
Formatted ... [48]
Formatted ... [49]
Formatted ... [50]
Formatted ... [51]
Formatted ... [52]

necessary to include the offeror's name on the list, ~~time being of the essence. Owner shall have five (5) business days following receipt of such list to object to any parties named on such list by notifying the Broker in writing~~.

5. OWNER FURTHER AGREES THAT (a) IF A SALE, EXCHANGE OR OPTION TO PURCHASE THE PROPERTY IS MADE DURING THE TERM TO ANYONE, OR (b) IF, WITHIN ONE HUNDRED TWENTY (120) CALENDAR DAYS AFTER THE EXPIRATION OR TERMINATION OF THE TERM, THE PROPERTY IS SOLD, EXCHANGED, OR AN OPTION TO PURCHASE IS GRANTED, OR NEGOTIATIONS CONTINUE, RESUME OR COMMENCE AND THEREAFTER CONTINUE LEADING TO A SALE, EXCHANGE OR GRANT OF AN OPTION TO ANY PERSON OR ENTITY AS DESCRIBED IN PARAGRAPH 3 ABOVE, OWNER SHALL PAY BROKER A SALES COMMISSION IN THE AMOUNT OF THREE PERCENT (3%) OF THE GROSS SALES PRICE, PAYABLE AT CLOSING.

6. Commissions shall be payable hereunder when earned or at lease execution, closing, closing of escrow, recordation of the deed, or possession by the purchaser or tenant.

7. If security, earnest money or similar deposits **are** made by a prospective tenant or purchaser are forfeited, in addition to any other rights of Broker pursuant to this Agreement, Broker shall be entitled to one-half (1/2) thereof, but not to exceed the total amount of the anticipated commission~~.~~

~~8. To the extent permitted by applicable law, Broker is authorized to deduct its commissions from any deposits, payments or other funds, including proceeds of rental payments or sale, paid by a tenant or purchaser in connection with a transaction contemplated by this Agreement, and Owner hereby irrevocably assigns said funds and proceeds to Broker to the extent necessary to pay said commissions. Broker is authorized to provide a copy of this Agreement to any tenant or escrow or closing agent working on such transaction, and such escrow or closing agent, or tenant, is hereby instructed by Owner to pay Broker's commissions from any such funds~~**have no right** ~~or proceeds available. Owner shall remain liable for the entire amount of said commissions regardless of~~**claim thereto,** ~~whether Broker exercises its rights under this paragraph.~~ **or not the same is forfeited to the Owner.**

9. Owner and Broker agree that the Property will be offered in compliance with all applicable federal, state and local anti discrimination laws and regulations.

10. Owner agrees to **use commercially reasonable efforts to** cooperate with Broker in effecting leases of the Property and immediately to refer to Broker all **bona fide** inquiries **(as determined by Owner)** of anyone interested in the Property. All negotiations are to be through Broker~~. Broker is authorized to accept a deposit from any prospective tenant and to handle it in accordance with the instructions of the parties unless contrary to applicable law.~~ Broker is exclusively authorized to advertise the Property and exclusively authorized to place a sign(s) on the Property if, in Broker's opinion, such would facilitate the leasing of the Property, **subject to Owner's direction and prior written approval as to all terms and conditions of any lease, unless Owner elects to be involved in the negotiations, with or without the Broker. Broker is exclusively authorized to advertise the Property, provided, however, that all advertising materials are subject to the prior written approval of Owner as to content, size, quantity and location.** Owner represents that it is the owner of the Property. Owner and its counsel will be responsible for determining the legal sufficiency of a lease and any other documents relating to any transaction contemplated by this Agreement.

~~11.~~ **CB Richard Ellis shall market the Property in a professional manner in accordance with the standard methods and procedures customarily employed by brokerage firms in correction with the marketing of similar properties. CB Richard Ellis shall perform such other duties and functions, as Owner shall request, in connection with the marketing of the Property. Without limiting the generality of the foregoing,** Broker shall assemble and produce for Owner's review and **written** approval an offering brochure and/or other marketing materials of a type which is customary for similar properties. Owner shall provide the information, **requested by Broker,** in its possession~~, custody or control~~ regarding the Property ~~necessary for Broker~~ to ~~prepare~~**be included in** a professional offering brochure, **to be prepared by the Broker**. The cost of such offering brochure shall be borne by Owner. At Broker's option, Owner shall be responsible either (i) to make payment directly to the third party vendors involved in the preparation of the offering materials or (ii) to reimburse Broker for its costs and expenses incurred in the preparation of such materials.

12357 v_01 \117260.0020

Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Violet, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Violet
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Violet
Formatted: Font: Bold, Underline, Font color: Violet
Formatted: Font color: Violet
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Violet, Strikethrough
Formatted: Font color: Violet
Formatted: Font color: Violet, Strikethrough
Formatted: Font: Bold, Underline, Font color: Violet, Strikethrough
Formatted: Font color: Violet, Strikethrough
Formatted: Font: Bold, Underline, Font color: Violet, Strikethrough
Formatted: Font color: Violet, Strikethrough
Formatted: Font: Bold, Underline, Font color: Violet, Strikethrough
Formatted: Font color: Violet, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Violet
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Violet
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Violet, Strikethrough
Formatted ... [53]
Formatted ... [54]
Formatted ... [55]
Formatted ... [56]
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted ... [57]
Formatted ... [58]
Formatted: Font color: Violet
Formatted: Font color: Violet, Strikethrough

~~12.~~ Owner agrees to disclose to Broker and to prospective tenants or purchasers any and all information which Owner has regarding present and future zoning and environmental matters affecting the Property and the condition of the Property, including, but not limited to structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks in, on or about the Property. Broker is authorized to disclose any such information to prospective tenants or buyers. ~~**Broker shall provide a professional offering brochure for Owner's approval no later than ten (10) days after execution of this Agreement.**~~

13. Owner acknowledges that Broker is a national brokerage firm and that in some cases it may represent prospective tenants or purchasers. Owner desires that the Property be presented to such persons or entities, and consents to the dual representation created thereby, **provided that such representation shall not affect or conflict with Broker's obligations to Owner under this Agreement, and Broker advises Owner of such dual representation when presenting an offer to the Owner**. Broker shall not disclose ~~the~~ **any** confidential information of one principal to the other.

14. In the event that the Property comes under the jurisdiction of a bankruptcy court, Owner shall immediately notify Broker of the same, and shall promptly take all steps necessary to obtain court approval of Broker's appointment, unless Broker shall elect to terminate this Agreement upon said notice.

15. In the event that the Property becomes the subject of foreclosure proceedings prior to the expiration of this Agreement, then this Agreement shall be deemed suspended until such time as the Owner may reacquire his interest in the Property within the Term. If this Agreement is suspended pursuant to this paragraph, Broker shall be free to enter into a listing agreement with any receiver, the party initiating the foreclosure, the party purchasing the Property at a foreclosure sale, or any other person having an interest in the Property.

16. In the event of any dispute between Owner and Broker relating to this Agreement, the Property or Owner or Broker's performance hereunder, Owner and Broker agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of Broker executing this Agreement is located. The arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses, including the costs of the arbitration proceeding, and reasonable attorneys' fees.

17. In the event that Owner lists Property with another broker after the expiration or termination of this Agreement, **(and provided that such listing agreement is executed within the time frame under which the Broker may be entitled to a commission under this Agreement),** Owner agrees~~shall use good faith efforts~~ to provide in the subsequent listing agreement that a commission will not be payable to the new broker with respect to transactions for which Owner remains obligated to pay a commission to Broker under paragraph~~s 3 or~~ 4 hereof. Owner's failure to do so, however, shall not affect Owner's obligations to Broker under paragraphs ~~3 or~~ 4 hereof.

18. Each ~~signator~~**signatory** to this Agreement represents and warrants that (s)he has full authority to sign this Agreement on behalf of the party for whom (s)he signs and that this Agreement binds such party.

19. **Each party hereby waives any right to trial by jury in any action arising out of or in connection with this Agreement. In the event of any dispute between Owner and Broker relating to this Agreement, the non-prevailing party shall pay the legal fees and costs of the prevailing party.**

20. This Agreement constitutes the entire agreement between Owner and Broker and supersedes all prior discussions, negotiations and agreements, whether oral or written. ~~No amendment, alteration, cancellation or withdrawal of this~~**This** Agreement ~~shall~~ **may only** be ~~valid or binding unless made~~**amended by an instrument** in writing ~~and~~ signed by both Owner and Broker. **The Broker shall not have the right to assign its rights or delegate its duties**

Formatted: Font color: Red, Strikethrough
Formatted: Font color: Violet
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Violet, Strikethrough
Formatted: Font color: Violet, Strikethrough
Formatted: Font: Bold, Underline, Font color: Violet, Strikethrough
Formatted: Font color: Violet, Strikethrough
Formatted: Font color: Violet
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Violet
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Violet
Formatted: Font: Bold, Underline, Font color: Blue, Strikethrough
Formatted: Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue

CONFIDENTIAL LA 691

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016549

hereunder without the prior written consent of the Owner. This Agreement shall be ~~binding upon, and shall benefit, the heirs, successors and assignees~~**interpreted under the laws** of the ~~parties.~~ **District of Columbia.**

21. The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act. **All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, sent by a recognized overnight courier (e.g., Federal Express), or if sent by registered or certified mail, return receipt requested, and postage prepaid, to the parties at the addresses specified below. All such notices shall be effective upon receipt or refusal to accept (if hand-delivered or sent by overnight courier) or three (3) business days after mailing (if mailed).**

22. Broker hereby certifies that it is licensed to do business in the District of Columbia and that it will comply with all applicable laws, ordinances and regulations concerning the leasing of real property in the District of Columbia. Further, Broker covenants and agrees to:

(a) advise Owner in writing on a regular basis (no less frequently than bi-weekly) of the status of its efforts hereunder (e.g., the names of all persons or entities to whom Broker has submitted the Property for potential lease and any inquiries received by Broker from prospective tenants or other brokers);

(b) promptly respond to Owner's inquiries regarding the status of the leasing of the Property, and attend meetings as reasonably requested by the Owner; and promptly respond to any inquiries made by prospective tenants; and

~~**(c) hold and save Owner free and harmless from and against any and all claims, demands, liability, loss or expense (including without limitation, reasonable attorneys' fees) arising out of the failure of Broker, its agents and employees in the performance of their obligations under this Agreement; and including indemnifying Owner from all loss, cost, damage and expense (including, without limitation, reasonable attorneys' fees) in connection with any claims made by any tenant (whether prospective or actual), cooperating brokers or other brokers relating to the Property, which claims are caused in any way by Broker, its agents or employees. This indemnity shall survive a termination or expiration of this Agreement.**~~

23. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one agreement.

The undersigned Owner hereby acknowledges receipt of a copy of this Agreement.

[Next Page Is Signature Page]

12357 v_01 \ 117260.0020

Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Red, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Violet
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font: Bold, Underline, Font color: Blue
Formatted: Font color: Violet, Strikethrough
Formatted: Font: Bold, Underline, Font color: Blue

Accepted:

CB Richard Ellis, Inc.
Licensed Real Estate Broker

By:_____
Jay B. Olshonsky
Title: Managing Director

Address: ~~555 11th Street~~750 9th Street, NW, 3rd ~~Floor~~Suite 900
Washington, DC 20004

Date:_____

Telephone: 202-783-8200

1920 8th Street, LLC
Owner

By: _____
Robb LaKritz
Title: **Member**

Address: **4326 8th Street, NW**
Washington, DC 20011

Date:_____

Telephone: **202-882-0808**

Formatted: Font: Not Bold, Font color: Red, Strikethrough

Formatted: Underline, Font color: Blue

Formatted: Font: Bold, Underline, Font color: Blue

Formatted: Font: Bold, Underline, Font color: Blue

Formatted: Superscript

Formatted: Font: Bold, Underline, Font color: Blue

Formatted: Underline, Font color: Blue

12357 v_01 \ 117260.0020

CONFIDENTIAL

LA 693

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016551

or tax consequences of this Agreement or the transaction(s) which it contemplates. These are questions for your attorney and financial advisors.

CONSULT YOUR ADVISORS - This document has legal consequences. No representation or recommendation is made by Broker as to the legal

Formatted: Font: Not Bold, Font color: Red, Strikethrough

Formatted: Font color: Violet

Formatted: Underline, Font color: Blue

Formatted: Underline, Font color: Blue

12357 v_01 \ 117260.0020

CONFIDENTIAL

LA 694

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016552

Page 1: [1] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [2] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [3] Formatted **Unknown**

Font color: Red, Strikethrough

Page 1: [4] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [5] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [6] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [7] Formatted **Unknown**

Font color: Red, Strikethrough

Page 1: [8] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [9] Formatted **Unknown**

Font color: Red, Strikethrough

Page 1: [10] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [11] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [12] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [13] Formatted **Unknown**

Font color: Red, Strikethrough

Page 1: [14] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [15] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [16] Formatted **Unknown**

Font color: Red, Strikethrough

Page 1: [17] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [18] Formatted **Author** **10/13/2008 4:09:00 PM**

Font color: Violet

Page 1: [19] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [20] Formatted **Author** **10/13/2008 4:11:00 PM**

Font color: Violet, Strikethrough

Page 1: [21] Formatted	Author	10/14/2008 2:57:00 PM

Font color: Violet, Highlight

Page 1: [22] Formatted	Author	10/14/2008 2:57:00 PM

Font: Bold, Underline, Font color: Violet, Strikethrough, Highlight

Page 1: [23] Formatted	Author	10/14/2008 2:57:00 PM

Font: Bold, Underline, Font color: Violet, Highlight

Page 1: [24] Formatted	Author	10/14/2008 2:57:00 PM

Highlight

Page 1: [25] Formatted	Author	10/14/2008 2:57:00 PM

Font color: Violet, Highlight

Page 1: [26] Formatted	Author	10/14/2008 2:57:00 PM

Highlight

Page 1: [27] Formatted	Author	10/14/2008 2:57:00 PM

Font: Bold, Underline, Font color: Violet, Strikethrough, Highlight

Page 1: [28] Formatted	Author	10/14/2008 2:57:00 PM

Font: Bold, Underline, Font color: Violet, Highlight

Page 1: [29] Formatted	Unknown

Font: Bold, Underline, Font color: Blue

Page 1: [30] Formatted	Unknown

Font: Bold, Underline, Font color: Blue

Page 1: [31] Formatted	Unknown

Font color: Red, Strikethrough

Page 1: [32] Formatted	Unknown

Font color: Red, Strikethrough

Page 1: [33] Formatted	Unknown

Font: Bold, Underline, Font color: Blue

Page 1: [34] Formatted	Unknown

Font: Bold, Underline, Font color: Blue

Page 1: [35] Formatted	Unknown

Font: Bold, Underline, Font color: Blue

Page 1: [36] Formatted	Author	10/14/2008 2:57:00 PM

Font: Bold, Underline, Font color: Violet, Strikethrough, Highlight

Page 1: [37] Formatted	Author	10/14/2008 2:57:00 PM

Font color: Violet, Strikethrough, Highlight

Page 1: [38] Formatted	Author	10/14/2008 2:57:00 PM

Font: Bold, Underline, Font color: Violet, Strikethrough, Highlight

Page 1: [39] Formatted	Author	10/13/2008 4:14:00 PM

Font: Bold, Underline, Font color: Violet, Strikethrough

Page 1: [40] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [41] Formatted **Author** **10/14/2008 2:57:00 PM**

Font color: Violet, Highlight

Page 1: [42] Formatted **Author** **10/14/2008 2:56:00 PM**

Font color: Violet

Page 1: [43] Formatted **Author** **10/13/2008 4:14:00 PM**

Font color: Violet

Page 1: [44] Formatted **Author** **10/13/2008 4:15:00 PM**

Font: Bold, Underline, Font color: Violet, Strikethrough

Page 1: [45] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [46] Formatted **Author** **10/13/2008 4:15:00 PM**

Font color: Violet

Page 1: [47] Formatted **Author** **10/13/2008 4:15:00 PM**

Font color: Violet

Page 1: [48] Formatted **Author** **10/13/2008 4:15:00 PM**

Font color: Violet

Page 1: [49] Formatted **Author** **10/13/2008 4:16:00 PM**

Font color: Violet

Page 1: [50] Formatted **Author** **10/13/2008 4:17:00 PM**

Font color: Violet

Page 1: [51] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 1: [52] Formatted **Author** **10/13/2008 4:17:00 PM**

Font color: Violet

Page 2: [53] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 2: [54] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 2: [55] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 2: [56] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 2: [57] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

Page 2: [58] Formatted **Unknown**

Font: Bold, Underline, Font color: Blue

From: Josh Adler <josh@lakritzadler.com>
Sent: Wednesday, October 15, 2008 11:46 AM
To: 'robb@lakritzadler.com'
Subject: Proposed text for Medhane

Hello Abraham,

As the whole world is aware at this point, there's a difficult situation in the real estate market right now, and while downtown D.C. is not the worst-hit place in the country, it's pretty bad here. Very few home buyers can obtain mortgages, and developers cannot get construction loans, new or extended, period. Even the biggest developers in the region, such as Lerner and Monument, cannot get financing right now.

We are close to finishing the Moderno project on 12th Street, but to finish it, we've had to put every dollar we have into the construction, as the bank has been very reluctant to increase their exposure to this (or any) condominium project. While we think we can get the construction done by January, even when we do, with the slow sale market and difficulty of buyers obtaining mortgages, it is unlikely that we will see any of our money back until late 2009, if at all, depending on the final sale prices and pace of sales – we're certainly taking a loss on the project, the question is how much.

Given the land development and construction financing market right now, it is simply impossible to get financing – debt or equity – to start a new residential or office project. Maybe you read in the Washington Business Journal last week that the new office building site in NOMA that is PRE-LEASED IN ITS ENTIRETY to the United States Department of Justice has not been able to get construction financing! 1920 8th doesn't stand a chance right now. And with all the banks dumping undeveloped land at pennies on the dollar, raw land has essentially no value today (my next door neighbor happens to manage a fund that just bought most of Wachovia's land portfolio – they paid literally zero dollars for unentitled land, and about 20 cents on the dollar of debt for fully entitled land).

Our plan has been, given the collapse of the condo market, to build a 50,000 SF office building on the site, and we are close to securing a transfer of arts bonus credits to the site that would allow us to do this (your commercial FAR in the C2B zone is only 1.5, versus 3.5 for residential, before arts credits – by purchasing the arts credits from another site, we would be able to build up to 4.5 FAR of commercial or residential). However, if there isn't even construction financing available for an office building 100% pre-leased to the U.S. Government, then our little site a the east end of U Street doesn't have a prayer, with or without a tenant.

All this is to say, there is no way that we or anyone is going to be able to start developing the 8th Street site in the next year, maybe two. And in the meantime, we just don't have the cash to keep servicing an underwater land option, at least until Moderno sells out. That's not to say the site is not a good site, or that we will never develop it, or that it won't eventually be worth something, but at the moment, there's just nothing to be done with raw land, by us or anyone.

Our proposal to you would be to allow us to accrue the ground rent payments for the next two years. We would continue to pay your property taxes so you're not coming out of pocket for anything. Hopefully in that time we are able to get a tenant for the office plan, and the construction financing market comes back.

The credit crisis has taken everyone by surprise – we're hoping you can work with us to keep this project alive.

Best regards,

Josh and Robb

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Wednesday, October 15, 2008 11:56 AM
To: 'Josh Adler' <josh@lakritzadler.com>
Subject: RE: Proposed text for Medhane

Looks good.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Wednesday, October 15, 2008 11:46 AM
To: robb@lakritzadler.com
Subject: Proposed text for Medhane

Hello Abraham,

As the whole world is aware at this point, there's a difficult situation in the real estate market right now, and while downtown D.C. is not the worst-hit place in the country, it's pretty bad here. Very few home buyers can obtain mortgages, and developers cannot get construction loans, new or extended, period. Even the biggest developers in the region, such as Lerner and Monument, cannot get financing right now.

We are close to finishing the Moderno project on 12th Street, but to finish it, we've had to put every dollar we have into the construction, as the bank has been very reluctant to increase their exposure to this (or any) condominium project. While we think we can get the construction done by January, even when we do, with the slow sale market and difficulty of buyers obtaining mortgages, it is unlikely that we will see any of our money back until late 2009, if at all, depending on the final sale prices and pace of sales – we're certainly taking a loss on the project, the question is how much.

Given the land development and construction financing market right now, it is simply impossible to get financing – debt or equity – to start a new residential or office project. Maybe you read in the Washington Business Journal last week that the new office building site in NOMA that is PRE-LEASED IN ITS ENTIRETY to the United States Department of Justice has not been able to get construction financing! 1920 8th doesn't stand a chance right now. And with all the banks dumping undeveloped land at pennies on the dollar, raw land has essentially no value today (my next door neighbor happens to manage a fund that just bought most of Wachovia's land portfolio – they paid literally zero dollars for unentitled land, and about 20 cents on the dollar of debt for fully entitled land).

Our plan has been, given the collapse of the condo market, to build a 50,000 SF office building on the site, and we are close to securing a transfer of arts bonus credits to the site that would allow us to do this (your commercial FAR in the C2B zone is only 1.5, versus 3.5 for residential, before arts credits – by purchasing the arts credits from another site, we would be able to build up to 4.5 FAR of commercial or residential). However, if there isn't even construction financing available for an office building 100% pre-leased to the U.S. Government, then our little site a the east end of U Street doesn't have a prayer, with or without a tenant.

All this is to say, there is no way that we or anyone is going to be able to start developing the 8th Street site in the next year, maybe two. And in the meantime, we just don't have the cash to keep servicing an underwater land option, at least until Moderno sells out. That's not to say the site is not a good site, or that we will never develop it, or that it won't eventually be worth something, but at the moment, there's just nothing to be done with raw land, by us or anyone.

Our proposal to you would be to allow us to accrue the ground rent payments for the next two years. We would continue to pay your property taxes so you're not coming out of pocket for anything. Hopefully in that time we are able to get a tenant for the office plan, and the construction financing market comes back.

The credit crisis has taken everyone by surprise – we're hoping you can work with us to keep this project alive.

Best regards,

Josh and Robb

LAKRITZ | ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Wednesday, October 15, 2008 12:06 PM
To: 'amedhane@comcast.net'
Cc: 'Clay Chavers' <chavlaw@comcast.net>; 'robb@lakritzadler.com'
Subject: 8th Street

Hello Abraham,

As the whole world is aware at this point, there's a difficult situation in the real estate market right now, and while downtown D.C. is not the worst-hit place in the country, it's pretty bad here. Very few home buyers can obtain mortgages, and developers cannot get construction loans, new or extended, period. Even the biggest developers in the region, such as Lerner and Monument, cannot get financing right now.

We are close to finishing the Moderno project on 12th Street, but to finish it, we've had to put every dollar we have into the construction, as the bank has been very reluctant to increase their exposure to this (or any) condominium project. While we think we can get the construction done by January, even when we do, with the slow sale market and difficulty of buyers obtaining mortgages, it is unlikely that we will see any of our money back until late 2009, if at all, depending on the final sale prices and pace of sales – we're certainly taking a loss on the project, the question is how much.

Given the land development and construction financing market right now, it is simply impossible to get financing – debt or equity – to start a new residential or office project. Maybe you read in the Washington Business Journal last week that the new office building site in NOMA that is PRE-LEASED IN ITS ENTIRETY to the United States Department of Justice has not been able to get construction financing! 1920 8th doesn't stand a chance right now. And with all the banks dumping undeveloped land at pennies on the dollar, raw land has essentially no value today (my next door neighbor happens to manage a fund that just bought most of Wachovia's land portfolio – they paid literally zero dollars for unentitled land, and about 20 cents on the dollar of debt for fully entitled land).

Our plan has been, given the collapse of the condo market, to build a 50,000 SF office building on the site, and we are close to securing a transfer of arts bonus credits to the site that would allow us to do this. Your commercial FAR in the C2B zone is only 1.5, versus 3.5 for residential, before arts credits – by securing the arts credits from another site, we would be able to build up to 4.5 FAR of commercial or residential. However, if there isn't even construction financing available for an office building 100% pre-leased to the U.S. Government, then our little site a the east end of U Street doesn't have a prayer, with or without a tenant.

All this is to say, there is no way that we or anyone is going to be able to start developing the 8th Street site in the next year, maybe two. And in the meantime, we just don't have the cash to keep servicing an underwater land option, at least until Moderno sells out. That's not to say the site is not a good site, or that we will never develop it, or that it won't eventually be worth something, but at the moment, there's just nothing to be done with raw land, by us or anyone.

Our proposal to you would be to allow us to accrue the ground rent payments for the next two years. We would continue to pay your property taxes so you're not coming out of pocket for anything. Hopefully in that time we are able to get a tenant for the office plan, and the construction financing market comes back.

The credit crisis has taken everyone by surprise – we're hoping you can work with us to keep this project alive.

Best regards,

Josh and Robb

P.s. – in an unrelated aside, there was a very favorable (and lengthy) article about Eritrea in the New York Times Travel Section last week. You probably saw it, but if not, we can forward it.

LAKRITZ ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: System Administrator
Sent: Wednesday, October 15, 2008 12:06:22 PM
To: Josh Adler
Subject: Undeliverable: 8th Street

Your message did not reach some or all of the intended recipients.

Subject: 8th Street
Sent: 10/15/2008 12:06 PM

The following recipient(s) could not be reached:

'Clay Chavers' on 10/15/2008 12:06 PM
550 5.1.1 <chavlaw@comcast.net> recipient not available

From: Josh Adler <josh@lakritzadler.com>
Sent: Wednesday, October 15, 2008 12:08 PM
To: 'amedhane@comcast.net'; 'medhane@att.net'
Cc: 'chavlawfirm@gmail.com'; 'robb@lakritzadler.com'
Subject: 8th Street

Hello Abraham,

As the whole world is aware at this point, there's a difficult situation in the real estate market right now, and while downtown D.C. is not the worst-hit place in the country, it's pretty bad here. Very few home buyers can obtain mortgages, and developers cannot get construction loans, new or extended, period. Even the biggest developers in the region, such as Lerner and Monument, cannot get financing right now.

We are close to finishing the Moderno project on 12th Street, but to finish it, we've had to put every dollar we have into the construction, as the bank has been very reluctant to increase their exposure to this (or any) condominium project. While we think we can get the construction done by January, even when we do, with the slow sale market and difficulty of buyers obtaining mortgages, it is unlikely that we will see any of our money back until late 2009, if at all, depending on the final sale prices and pace of sales – we're certainly taking a loss on the project, the question is how much.

Given the land development and construction financing market right now, it is simply impossible to get financing – debt or equity – to start a new residential or office project. Maybe you read in the Washington Business Journal last week that the new office building site in NOMA that is PRE-LEASED IN ITS ENTIRETY to the United States Department of Justice has not been able to get construction financing! 1920 8th doesn't stand a chance right now. And with all the banks dumping undeveloped land at pennies on the dollar, raw land has essentially no value today (my next door neighbor happens to manage a fund that just bought most of Wachovia's land portfolio – they paid literally zero dollars for unentitled land, and about 20 cents on the dollar of debt for fully entitled land).

Our plan has been, given the collapse of the condo market, to build a 50,000 SF office building on the site, and we are close to securing a transfer of arts bonus credits to the site that would allow us to do this. Your commercial FAR in the C2B zone is only 1.5, versus 3.5 for residential, before arts credits – by securing the arts credits from another site, we would be able to build up to 4.5 FAR of commercial or residential. However, if there isn't even construction financing available for an office building 100% pre-leased to the U.S. Government, then our little site a the east end of U Street doesn't have a prayer, with or without a tenant.

All this is to say, there is no way that we or anyone is going to be able to start developing the 8th Street site in the next year, maybe two. And in the meantime, we just don't have the cash to keep servicing an underwater land option, at least until Moderno sells out. That's not to say the site is not a good site, or that we will never develop it, or that it won't eventually be worth something, but at the moment, there's just nothing to be done with raw land, by us or anyone.

Our proposal to you would be to allow us to accrue the ground rent payments for the next two years. We would continue to pay your property taxes so you're not coming out of pocket for anything. Hopefully in that time we are able to get a tenant for the office plan, and the construction financing market comes back.

The credit crisis has taken everyone by surprise – we're hoping you can work with us to keep this project alive.

Best regards,

Josh and Robb

P.s. – in an unrelated aside, there was a very favorable (and lengthy) article about Eritrea in the New York Times Travel Section last week. You probably saw it, but if not, we can forward it.

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, October 16, 2008 2:05 PM
To: 'Morgan, Ed @ Washington' <emorgan@trammellcrow.com>
Subject: 1920 8th St
Attach: 1920 8th St NW Plat.pdf; Florida Ave Metro Sites w Metro Entrance.jpg; 1920 8th NPV.xls; 1920 8th street standalone rendering 12-17-07.jpg

---

Ed,

Attached is the plat and rendering for a by-right office building at 1920 8th Street that we discussed at lunch today. The current plans call for a 47,600 SF building, five stories, thus a footprint of about 9,520 SF. We show about 26 parking spaces in a "tuckunder" type garage that would save a lot of construction cost versus doing a true underground garage, but both are options. Under Arts overlay guidelines, site allows up to potentially up to 4.5 FAR of commercial or residential space, or 50,940 square feet, height limit 65' (of course, you could add additional non-FAR private penthouse space above 65', per Moderno) Zoning is C2B Arts Overlay. Lot is 11,320 SF.

I'm also attaching a Google map showing the immediate surrounding area. Our site is marked "8th Street Lot" and shaded. The adjacent Metro lot to north is about 8,600 SF.

We had Colbert do a residential plan for 1920 8th site a few years ago, and took it through one round with HPRB with no problems on height or mass – they do not have a problem with a new 65' high building at this site.

We will consider selling our ground lease for a one time payment. We're open to other proposals, but that would be our preference. There's an NPV calculation table attached that shows net value of ground lease today depending on assumption about current land value and holding time, but we're very flexible on this valuation – we'd like to make a deal happen on this site, one way or another.

Key Ground Lease Terms:

The property is a Delaware Limited Liability Company known as 1920 8th Street, LLC, which holds a ground lease and purchase option ("Ground Lease") to an approximately 11,320 square foot vacant lot known as Square 393, Lot 46, also known as 1916-1930 8th Street, NW, Washington, DC, zoned C-2-B Arts Overlay.

The Ground Lease contains the following essential terms:

- Medal, Inc., as Landlord and 1920 8th Street, LLC, as Tenant.
- Commences August 3, 2007, with a one year base term and nine one-year renewal options
- Ground rent of $225,000/year in the first year, $150,000/year for renewal terms 1-4, and $200,000/year for renewal terms 5-9.
- Purchase option exercisable at any time during base term and renewals. Exercise price of $4,800,000 in the base term, increasing by 1.5% in each of the first three renewal terms and then remaining fixed at $5,019,256.20 for the remainder of the renewal terms.
- $100,000 of ground rent, once paid, credited toward the purchase option in the base term and in each of the first two renewal terms, with 100% of ground rent paid following the second renewal term and in every renewal term thereafter credited toward the option price. Therefore the purchase option balance due at the end of the last renewal term (that is, on August 3, 2017) shall be $3,419,256.20.
- A one time fee of $175,000 payable to Landlord for resubordination of Landlord's fee interest in land to Tenant's permanent financing lender (if such lender is different from Tenant's construction lender), to be paid upon the sooner of: 1) resubordination of Landlord fee interest to new lender following substantial completion of project, or 2) upon exercise of purchase option.
- Landlord is obliged under the ground lease to subordinate its unencumbered fee interest in the Property to Tenant's Construction Lender (and subsequent lenders), meaning that Tenant has full use of the land value of the Property as collateral to secure its construction financing.
- Lease is transferrable and assignable without consent of Landlord.

Thanks,

Josh Adler

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

SUBDIVISION
SQUARE 393
8th STREET, N.W.
45
46
11,320 SF
EAST
94.33
WEST
94.33
SOUTH
120.0
NORTH
120.0
ALLEY
PUBLIC
10'
10'

CONFIDENTIAL

LA 706

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016572

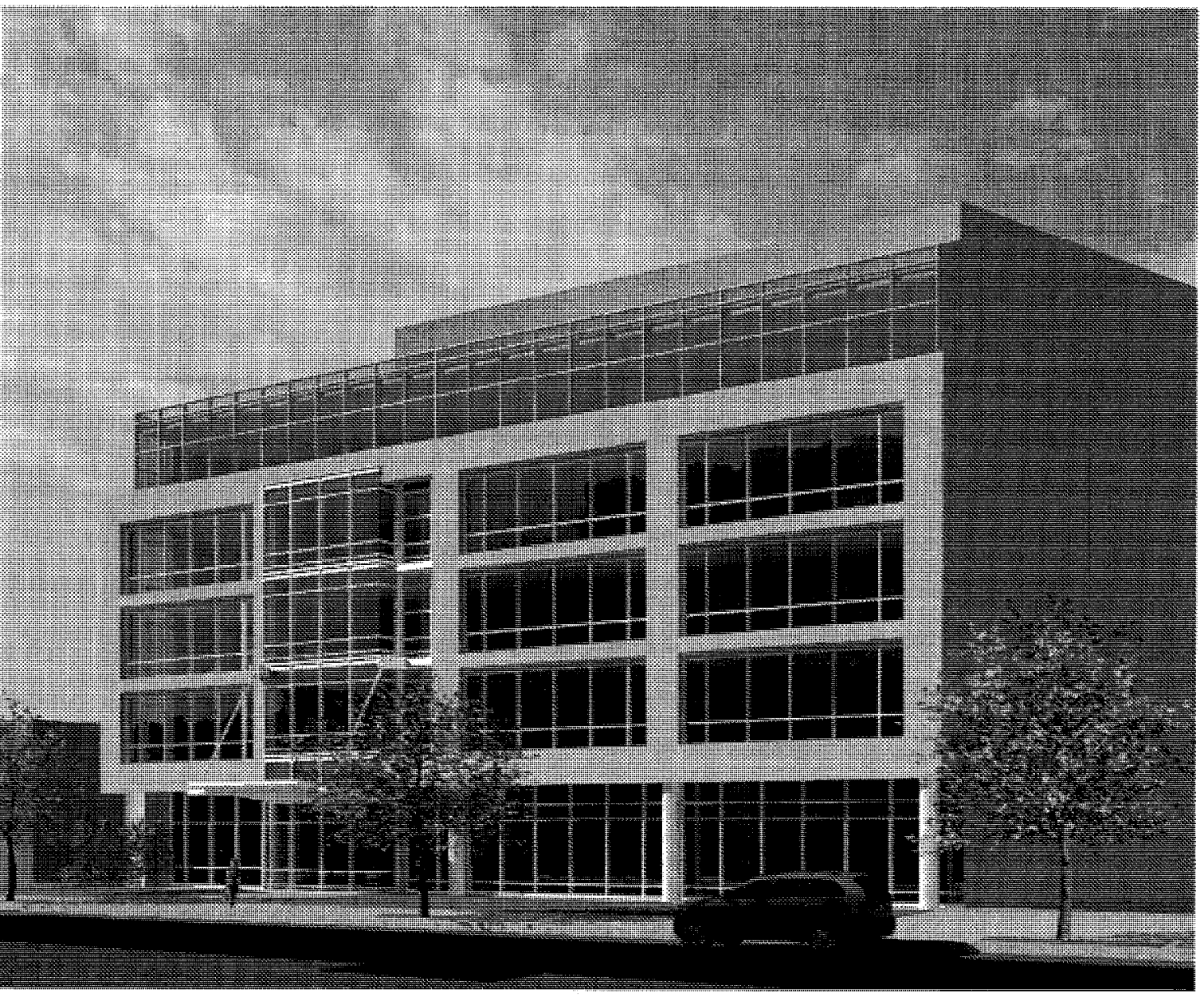
FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G
1			Year	1	2	3	4
2	**Effective Discount Rate:**	**14.87%**	Year Ending in August of...	2008	2009	2010	2011
3	Debt Rate	8%	Ground Lease Payments (as of Year End)	*Pre-Paid*	$ 150,000.00	$ 150,000.00	$ 150,000.00
4	Equity Rate	20%	Accumulated Toward Option	$ 100,000.00	$ 200,000.00	$ 300,000.00	$ 450,000.00
5			Option Price at Year End - 1 day	$ 4,875,000.00	$ 4,847,000.00	$ 4,820,080.00	$ 4,744,256.20
6			NPV in Aug 08 if Option Exercised this Year	$ 4,875,000.00	$3,803,857.05	$3,424,242.61	$3,067,984.19
7			(Assume rent paid at year start, option at year end)				
8			Ground Lease Assignment Fee (Paid Aug 2008)	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00
9			Effective Purchase Price	$ 8,375,000.00	$ 7,303,857.05	$ 6,924,242.61	$ 6,567,984.19
10			Potental Floor Area at 4.5 FAR (SF)	50940	50940	50940	50940
11			Effective Price per FAR-foot	$ 164.41	$ 143.38	$ 135.93	$ 128.94
12		2008 Value/FAR-ft					
13		$ 120.00	Property Market Value at Year End, starting at X/FAR-ft	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14			Net Land Equity at Assignment (Replaces Cash Equity)	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15			Percentage Land Value as Cash	57.26%	57.26%	57.26%	57.26%
16			Percentage Land Value as Debt (i.e., "free" equity)	42.74%	42.74%	42.74%	42.74%
17			Debt Rate x Debt Share of Land Equity	3.42%	3.42%	3.42%	3.42%
18			Equity Rate x Cash Share of Land Equity	11.45%	11.45%	11.45%	11.45%
19			Effective Discount Rate (average cost of capital)	14.87%	14.87%	14.87%	14.87%

WMATA-INV 016574

FOIA CONFIDENTIAL TREATMENT REQUESTED

	H	I	J	K	L	M
1	5	6	7	8	9	10
2	2012	2013	2014	2015	2016	2017
3	$ 150,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00
4	$ 600,000.00	$ 800,000.00	$ 1,000,000.00	$ 1,200,000.00	$ 1,400,000.00	$ 1,600,000.00
5	$ 4,594,256.20	$ 4,394,256.20	$ 4,194,256.20	$ 3,994,256.20	$ 3,794,256.20	$ 3,594,256.20
6	$2,726,396.98	$2,441,975.74	$2,205,644.12	$2,009,717.67	$1,847,695.65	$1,714,083.29
7						
8	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	**$ 3,500,000.00**
9	$ 6,226,396.98	$ 5,941,975.74	$ 5,705,644.12	$ 5,509,717.67	$ 5,347,695.65	$ 5,214,083.29
10	50940	50940	50940	50940	50940	50940
11	$ 122.23	$ 116.65	$ 112.01	$ 108.16	$ 104.98	$ 102.36
12						
13	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15	57.26%	57.26%	57.26%	57.26%	57.26%	57.26%
16	42.74%	42.74%	42.74%	42.74%	42.74%	42.74%
17	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%
18	11.45%	11.45%	11.45%	11.45%	11.45%	11.45%
19	14.87%	14.87%	14.87%	14.87%	14.87%	14.87%



From: Morgan, Ed @ Washington <emorgan@trammellcrow.com>
Sent: Thursday, October 16, 2008 2:51 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: RE: 1920 8th St

Thanks Josh, I passed the info along to my medical office partner and will let you know his comments when I receive them. Great to see you at lunch. Ed

---

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, October 16, 2008 2:05 PM
To: Morgan, Ed @ Washington
Subject: 1920 8th St

Ed,

Attached is the plat and rendering for a by-right office building at 1920 8th Street that we discussed at lunch today. The current plans call for a 47,600 SF building, five stories, thus a footprint of about 9,520 SF. We show about 26 parking spaces in a "tuckunder" type garage that would save a lot of construction cost versus doing a true underground garage, but both are options. Under Arts overlay guidelines, site allows up to potentially up to 4.5 FAR of commercial or residential space, or 50,940 square feet, height limit 65' (of course, you could add additional non-FAR private penthouse space above 65', per Moderno) Zoning is C2B Arts Overlay. Lot is 11,320 SF.

I'm also attaching a Google map showing the immediate surrounding area. Our site is marked "8th Street Lot" and shaded. The adjacent Metro lot to north is about 8,600 SF.

We had Colbert do a residential plan for 1920 8th site a few years ago, and took it through one round with HPRB with no problems on height or mass – they do not have a problem with a new 65' high building at this site.

We will consider selling our ground lease for a one time payment. We're open to other proposals, but that would be our preference. There's an NPV calculation table attached that shows net value of ground lease today depending on assumption about current land value and holding time, but we're very flexible on this valuation – we'd like to make a deal happen on this site, one way or another.

Key Ground Lease Terms:

The property is a Delaware Limited Liability Company known as 1920 8th Street, LLC, which holds a ground lease and purchase option ("Ground Lease") to an approximately 11,320 square foot vacant lot known as Square 393, Lot 46, also known as 1916-1930 8th Street, NW, Washington, DC, zoned C-2-B Arts Overlay.

The Ground Lease contains the following essential terms:

- Medal, Inc., as Landlord and 1920 8th Street, LLC, as Tenant.
- Commences August 3, 2007, with a one year base term and nine one-year renewal options
- Ground rent of $225,000/year in the first year, $150,000/year for renewal terms 1-4, and $200,000/year for renewal terms 5-9.
- Purchase option exercisable at any time during base term and renewals. Exercise price of $4,800,000 in the base term, increasing by 1.5% in each of the first three renewal terms and then remaining fixed at $5,019,256.20 for the remainder of the renewal terms.
- $100,000 of ground rent, once paid, credited toward the purchase option in the base term and in each of the first two renewal terms, with 100% of ground rent paid following the second renewal term and in every renewal term thereafter credited toward the option price. Therefore the purchase option balance due at the end of the last renewal term (that is, on August 3, 2017) shall be $3,419,256.20.
- A one time fee of $175,000 payable to Landlord for resubordination of Landlord's fee interest in land to Tenant's permanent financing lender (if such lender is different from Tenant's construction lender), to be paid upon the sooner of: 1) resubordination of Landlord fee interest to new lender following substantial completion of project, or 2) upon exercise of purchase option.

- Landlord is obliged under the ground lease to subordinate its unencumbered fee interest in the Property to Tenant's Construction Lender (and subsequent lenders), meaning that Tenant has full use of the land value of the Property as collateral to secure its construction financing.
- Lease is transferrable and assignable without consent of Landlord.

Thanks,

Josh Adler

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Brad Voight - LA <brad@lakritzadler.com>
Sent: Thursday, October 16, 2008 3:36 PM
To: 'Josh Adler' <josh@lakritzadler.com>
Cc: robb@lakritzadler.com
Subject: 1920 8th St NW - Assessment Hearing

Just a reminder Josh, that the Assessment Hearing for 1920 8th St NW is tomorrow at 4:00pm at 441 4th St NW, Suite 430-S.

Bradley M. Voight, CPA
Vice President - Finance & Accounting

LAKRITZ|ADLER

LaKritz Adler Development LLC
4326 8th Street, NW
Washington, DC 20011
E-Mail: Brad@LaKritzAdler.com
Phone: 202-882-0808
Fax: 202-882-0809
Cell: 301-742-5789

From: Clay Chavers <chavlawfirm@gmail.com>
Sent: Monday, October 20, 2008 1:02 PM
To: Josh Adler <josh@lakritzadler.com>; robb@lakritzadler.com; Curtis L. Sano Esq. <curtis.sano@hklaw.com>
Cc: amedhane@comcast.net; medhane@att.net
Subject: RE: 8th Street

Hello Josh and Robb
I have been able to communicate with my client, Dr. Medhane, by email as he is out of the country and will not be returning until mid December, 2008. My client is sympathetic to the economic plight in which you find yourselves. These economics have impacted him advisedly as well. A part of his financial plans includes the income to be derived from his agreements with you, both as rent and the purchase when that takes place. In any event, the scenario you have proposed is not acceptable.
As you know, over the years we have made several modification at your request. These were done to try and accommodate your changing condition.
My client will again, try and work with you, after his return. He will do so, if there are ways to address your concerns and still meets his needs. In the interim, you will be expected to maintain the terms and condition as are expressly stated in the agreement between the parties.
It is worthwhile to mention to you that, consideration should be given to the best way to provide you some of the flexibility you are seeking and provides my client the financial benefit he negotiated for.
Please know that my client wants to see this project succeed.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.
1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Wednesday, October 15, 2008 12:08 PM
To: amedhane@comcast.net; medhane@att.net
Cc: chavlawfirm@gmail.com; robb@lakritzadler.com
Subject: 8th Street

Hello Abraham,

As the whole world is aware at this point, there's a difficult situation in the real estate market right now, and while downtown D.C. is not the worst-hit place in the country, it's pretty bad here. Very few home buyers can obtain mortgages, and developers cannot get construction loans, new or extended, period. Even the biggest developers in the region, such as Lerner and Monument, cannot get financing right now.

We are close to finishing the Moderno project on 12th Street, but to finish it, we've had to put every dollar we have into the construction, as the bank has been very reluctant to increase their exposure to this (or any) condominium

project. While we think we can get the construction done by January, even when we do, with the slow sale market and difficulty of buyers obtaining mortgages, it is unlikely that we will see any of our money back until late 2009, if at all, depending on the final sale prices and pace of sales – we're certainly taking a loss on the project, the question is how much.

Given the land development and construction financing market right now, it is simply impossible to get financing – debt or equity – to start a new residential or office project. Maybe you read in the Washington Business Journal last week that the new office building site in NOMA that is PRE-LEASED IN ITS ENTIRETY to the United States Department of Justice has not been able to get construction financing! 1920 8th doesn't stand a chance right now. And with all the banks dumping undeveloped land at pennies on the dollar, raw land has essentially no value today (my next door neighbor happens to manage a fund that just bought most of Wachovia's land portfolio – they paid literally zero dollars for unentitled land, and about 20 cents on the dollar of debt for fully entitled land).

Our plan has been, given the collapse of the condo market, to build a 50,000 SF office building on the site, and we are close to securing a transfer of arts bonus credits to the site that would allow us to do this. Your commercial FAR in the C2B zone is only 1.5, versus 3.5 for residential, before arts credits – by securing the arts credits from another site, we would be able to build up to 4.5 FAR of commercial or residential. However, if there isn't even construction financing available for an office building 100% pre-leased to the U.S. Government, then our little site a the east end of U Street doesn't have a prayer, with or without a tenant.

All this is to say, there is no way that we or anyone is going to be able to start developing the 8th Street site in the next year, maybe two. And in the meantime, we just don't have the cash to keep servicing an underwater land option, at least until Modemo sells out. That's not to say the site is not a good site, or that we will never develop it, or that it won't eventually be worth something, but at the moment, there's just nothing to be done with raw land, by us or anyone.

Our proposal to you would be to allow us to accrue the ground rent payments for the next two years. We would continue to pay your property taxes so you're not coming out of pocket for anything. Hopefully in that time we are able to get a tenant for the office plan, and the construction financing market comes back.

The credit crisis has taken everyone by surprise – we're hoping you can work with us to keep this project alive.

Best regards,

Josh and Robb

P.s. – in an unrelated aside, there was a very favorable (and lengthy) article about Eritrea in the New York Times Travel Section last week. You probably saw it, but if not, we can forward it.

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Monday, October 20, 2008 1:06 PM
To: 'Clay Chavers' <chavlawfirm@gmail.com>; 'robb@lakritzadler.com'; 'Curtis L. Sano Esq.' <curtis.sano@hklaw.com>
Cc: 'amedhane@comcast.net'; 'medhane@att.net'
Subject: RE: 8th Street

By way of good will – I personally made a ferocious case to the Property Tax Assessment Appeals Board last Friday to get the tax assessment for 1916-1930 8th Street lowered from it's current value of $3 million. I'll be surprised if they don't bring it down at least a bit.

Josh

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Monday, October 20, 2008 1:02 PM
To: Josh Adler; robb@lakritzadler.com; Curtis L. Sano Esq.
Cc: amedhane@comcast.net; medhane@att.net
Subject: RE: 8th Street

Hello Josh and Robb
I have been able to communicate with my client, Dr. Medhane, by email as he is out of the country and will not be returning until mid December, 2008. My client is sympathetic to the economic plight in which you find yourselves. These economics have impactedhim advisedly as well. A part of his financial plans includes the income to be derived from his agreements with you, both as rent and the purchase when that takes place. In any event, the scenario you have proposed is not acceptable.
As you know, over the years we have made several modification at your request. These were done to try and accommodate your changing condition.
My client will again, try and work with you, after his return. He will do so, if there are ways to address your concerns and still meetshis needs. In the interim, you will be expected to maintain the terms and condition as are expressly stated in the agreement between the parties.
It is worthwhile to mention to you that, consideration should be given to the best way to provide you some of the flexibility you are seeking and provides my client the financial benefit he negotiated for.
Please know that my client wants to see thisproject succeed.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.
1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Josh Adler [mailto:josh@lakritzadler.com]

Sent: Wednesday, October 15, 2008 12:08 PM
To: amedhane@comcast.net; medhane@att.net
Cc: chavlawfirm@gmail.com; robb@lakritzadler.com
Subject: 8th Street

Hello Abraham,

As the whole world is aware at this point, there's a difficult situation in the real estate market right now, and while downtown D.C. is not the worst-hit place in the country, it's pretty bad here. Very few home buyers can obtain mortgages, and developers cannot get construction loans, new or extended, period. Even the biggest developers in the region, such as Lerner and Monument, cannot get financing right now.

We are close to finishing the Moderno project on 12th Street, but to finish it, we've had to put every dollar we have into the construction, as the bank has been very reluctant to increase their exposure to this (or any) condominium project. While we think we can get the construction done by January, even when we do, with the slow sale market and difficulty of buyers obtaining mortgages, it is unlikely that we will see any of our money back until late 2009, if at all, depending on the final sale prices and pace of sales – we're certainly taking a loss on the project, the question is how much.

Given the land development and construction financing market right now, it is simply impossible to get financing – debt or equity – to start a new residential or office project. Maybe you read in the Washington Business Journal last week that the new office building site in NOMA that is PRE-LEASED IN ITS ENTIRETY to the United States Department of Justice has not been able to get construction financing! 1920 8th doesn't stand a chance right now. And with all the banks dumping undeveloped land at pennies on the dollar, raw land has essentially no value today (my next door neighbor happens to manage a fund that just bought most of Wachovia's land portfolio – they paid literally zero dollars for unentitled land, and about 20 cents on the dollar of debt for fully entitled land).

Our plan has been, given the collapse of the condo market, to build a 50,000 SF office building on the site, and we are close to securing a transfer of arts bonus credits to the site that would allow us to do this. Your commercial FAR in the C2B zone is only 1.5, versus 3.5 for residential, before arts credits – by securing the arts credits from another site, we would be able to build up to 4.5 FAR of commercial or residential. However, if there isn't even construction financing available for an office building 100% pre-leased to the U.S. Government, then our little site a the east end of U Street doesn't have a prayer, with or without a tenant.

All this is to say, there is no way that we or anyone is going to be able to start developing the 8th Street site in the next year, maybe two. And in the meantime, we just don't have the cash to keep servicing an underwater land option, at least until Modemo sells out. That's not to say the site is not a good site, or that we will never develop it, or that it won't eventually be worth something, but at the moment, there's just nothing to be done with raw land, by us or anyone.

Our proposal to you would be to allow us to accrue the ground rent payments for the next two years. We would continue to pay your property taxes so you're not coming out of pocket for anything. Hopefully in that time we are able to get a tenant for the office plan, and the construction financing market comes back.

The credit crisis has taken everyone by surprise – we're hoping you can work with us to keep this project alive.

Best regards,

Josh and Robb

P.s. – in an unrelated aside, there was a very favorable (and lengthy) article about Eritrea in the New York Times Travel Section last week. You probably saw it, but if not, we can forward it.

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Dresback, Jennifer @ Washington DC <jdresback@trammellcrow.com>
Sent: Friday, October 31, 2008 12:28 PM
To: josh@lakritzadler.com
Subject: 1920 8th Street

Good Afternoon Josh,

Ed Morgan forwarded to me the information you sent to him on the 1920 8th street site. I have a few questions concerning the structure of the ground lease and the options associated with it. Are you available sometime next week to have a quick conversation?

Let me know what your availability is for Wednesday or next week.

Thanks,
Jennifer

Jennifer Dresback
Vice President

Trammell Crow Company
1055 Thomas Jefferson Street, NW
Suite 600
Washington, DC 20007
202.295.3450 Direct
202.427.4404 Cell
202.337.7364 Fax
jdresback@trammellcrow.com
www.trammellcrow.com

Trammell Crow Company. Building value.

Please consider the environment before printing this email.

This email may contain information that is confidential or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler <josh@lakritzadler.com>
Sent: Friday, October 31, 2008 12:48 PM
To: 'Dresback, Jennifer @ Washington DC' <jdresback@trammellcrow.com>
Subject: RE: 1920 8th Street

Great. Next week available Monday before 4 pm, but subject to change, Wednesday maybe, but timing up in the air, or Thursday or Friday are pretty open.

From: Dresback, Jennifer @ Washington DC [mailto:jdresback@trammellcrow.com]
Sent: Friday, October 31, 2008 12:28 PM
To: josh@lakritzadler.com
Subject: 1920 8th Street

Good Afternoon Josh,

Ed Morgan forwarded to me the information you sent to him on the 1920 8th street site. I have a few questions concerning the structure of the ground lease and the options associated with it. Are you available sometime next week to have a quick conversation?

Let me know what your availability is for Wednesday or next week.

Thanks,
Jennifer

Jennifer Dresback
Vice President

Trammell Crow Company
1055 Thomas Jefferson Street, NW
Suite 600
Washington, DC 20007
202.295.3450 Direct
202.427.4404 Cell
202.337.7364 Fax
jdresback@trammellcrow.com
www.trammellcrow.com

Trammell Crow Company. Building value.

Please consider the environment before printing this email.

This email may contain information that is confidential or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Dresback, Jennifer @ Washington DC <jdresback@trammellcrow.com>
Sent: Friday, October 31, 2008 1:54 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: RE: 1920 8th Street

Hi Josh,

Let's plan on Monday at 3pm. I'm confirming with Griffin James, my colleague, as well. I will confirm with you as soon as I hear back.

Thanks,
Jennifer

Jennifer Dresback
Vice President

Trammell Crow Company
1055 Thomas Jefferson Street, NW
Suite 600
Washington, DC 20007
202.295.3450 Direct
202.427.4404 Cell
202.337.7364 Fax
jdresback@trammellcrow.com
www.trammellcrow.com

Trammell Crow Company. Building value.

Please consider the environment before printing this email.

This email may contain information that is confidential or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Friday, October 31, 2008 12:48 PM
To: Dresback, Jennifer @ Washington DC
Subject: RE: 1920 8th Street

Great. Next week available Monday before 4 pm, but subject to change, Wednesday maybe, but timing up in the air, or Thursday or Friday are pretty open.

From: Dresback, Jennifer @ Washington DC [mailto:jdresback@trammellcrow.com]
Sent: Friday, October 31, 2008 12:28 PM
To: josh@lakritzadler.com
Subject: 1920 8th Street

Good Aftemoon Josh,

Ed Morgan forwarded to me the information you sent to him on the 1920 8th street site. I have a few questions concerning the structure of the ground lease and the options associated with it. Are you available sometime next week to have a quick conversation?

Let me know what your availability is for Wednesday or next week.

Thanks,
Jennifer

Jennifer Dresback
Vice President

Trammell Crow Company
1055 Thomas Jefferson Street, NW
Suite 600
Washington, DC 20007
202.295.3450 Direct
202.427.4404 Cell
202.337.7364 Fax
jdresback@trammellcrow.com
www.trammellcrow.com

Trammell Crow Company. Building value.

Please consider the environment before printing this email.

This email may contain information that is confidential or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Dresback, Jennifer @ Washington DC <jdresback@trammellcrow.com>
Sent: Friday, October 31, 2008 2:23 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: RE: 1920 8th Street

Hi Josh,

I just received confirmation. We plan to call you on Monday at 3pm. I have your number as 202.882.0808.

Thanks,
Jennifer

Jennifer Dresback
Vice President

Trammell Crow Company
1055 Thomas Jefferson Street, NW
Suite 600
Washington, DC 20007
202.295.3450 Direct
202.427.4404 Cell
202.337.7364 Fax
jdresback@trammellcrow.com
www.trammellcrow.com

Trammell Crow Company. Building value.

Please consider the environment before printing this email.

This email may contain information that is confidential or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Friday, October 31, 2008 12:48 PM
To: Dresback, Jennifer @ Washington DC
Subject: RE: 1920 8th Street

Great. Next week available Monday before 4 pm, but subject to change, Wednesday maybe, but timing up in the air, or Thursday or Friday are pretty open.

From: Dresback, Jennifer @ Washington DC [mailto:jdresback@trammellcrow.com]
Sent: Friday, October 31, 2008 12:28 PM
To: josh@lakritzadler.com
Subject: 1920 8th Street

Good Aftemoon Josh,

Ed Morgan forwarded to me the information you sent to him on the 1920 8th street site. I have a few questions concerning the structure of the ground lease and the options associated with it. Are you available sometime next week to have a quick conversation?

Let me know what your availability is for Wednesday or next week.

Thanks,

Jennifer

Jennifer Dresback
Vice President

Trammell Crow Company
1055 Thomas Jefferson Street, NW
Suite 600
Washington, DC 20007
202.295.3450 Direct
202.427.4404 Cell
202.337.7364 Fax
jdresback@trammellcrow.com
www.trammellcrow.com

Trammell Crow Company. Building value.

Please consider the environment before printing this email.

This email may contain information that is confidential or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler <josh@lakritzadler.com>
Sent: Friday, October 31, 2008 4:08 PM
To: 'Dresback, Jennifer @ Washington DC' <jdresback@trammellcrow.com>
Subject: RE: 1920 8th Street

Good, thanks.

From: Dresback, Jennifer @ Washington DC [mailto:jdresback@trammellcrow.com]
Sent: Friday, October 31, 2008 2:23 PM
To: Josh Adler
Subject: RE: 1920 8th Street

Hi Josh,

I just received confirmation. We plan to call you on Monday at 3pm. I have your number as 202.882.0808.

Thanks,
Jennifer

Jennifer Dresback
Vice President

Trammell Crow Company
1055 Thomas Jefferson Street, NW
Suite 600
Washington, DC 20007
202.295.3450 Direct
202.427.4404 Cell
202.337.7364 Fax
jdresback@trammellcrow.com
www.trammellcrow.com

Trammell Crow Company. Building value.

Please consider the environment before printing this email.

This email may contain information that is confidential or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Friday, October 31, 2008 12:48 PM
To: Dresback, Jennifer @ Washington DC
Subject: RE: 1920 8th Street

Great. Next week available Monday before 4 pm, but subject to change, Wednesday maybe, but timing up in the air, or Thursday or Friday are pretty open.

From: Dresback, Jennifer @ Washington DC [mailto:jdresback@trammellcrow.com]
Sent: Friday, October 31, 2008 12:28 PM
To: josh@lakritzadler.com
Subject: 1920 8th Street

Good Afternoon Josh,

Ed Morgan forwarded to me the information you sent to him on the 1920 8th street site. I have a few questions concerning the structure of the ground lease and the options associated with it. Are you available sometime next week to have a quick conversation?

Let me know what your availability is for Wednesday or next week.

Thanks,
Jennifer

Jennifer Dresback
Vice President

Trammell Crow Company
1055 Thomas Jefferson Street, NW
Suite 600
Washington, DC 20007
202.295.3450 Direct
202.427.4404 Cell
202.337.7364 Fax
jdresback@trammellcrow.com
www.trammellcrow.com

Trammell Crow Company. Building value.

Please consider the environment before printing this email.

This email may contain information that is confidential or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.

From: Omar A. Karim [okarim@bannekerventures.com]
Sent: Thursday, November 13, 2008 6:10:07 PM
To: Josh Adler
Subject: Read: Letter of Intent w/ BV comments- 1920 8th Street, LLC

Your message

To: 'Omar A. Karim'
Subject: RE: Letter of Intent w/ BV comments- 1920 8th Street, LLC
Sent: 10/10/2008 3:39 PM

was read on 11/13/2008 6:09 PM.

From: Ilana Branda <ilana@culturaldc.org>
Sent: Monday, November 17, 2008 9:59 AM
To: Josh Adler <josh@lakritzadler.com>
Cc: Anne Corbett <Anne@culturaldc.org>
Subject: FW: Source CLD
Attach: WS_BinaryComparison_LA- Uptown Arts CLD Covenant with CDCDC-LA- Uptown Arts CLD Covenant with CDCDC v2.doc

---

Josh,
Attached are our lawyers comments on the proposed Covenant. We are also concerned with the calculation for square footage. Recital J on page 3 show an accurate calculation of available square footage we have to sell of 30,936. However, beginning with recital K and throughout the rest of the document 33,800 is used. Please let me know how you got to this number, or do we need to change it to the 30,936 throughout the document?
Thanks,
Ilana

Ilana Branda
Program Manager, Housing & Community Development | **Cultural Development Corporation**
Flashpoint | 916 G St, NW | WDC 20001
Source | 1835 14th St, NW | WDC 20009
202.315.1324 | 202.315.1303 fax | ilana@culturaldc.org
culturaldc.org | flashpointdc.org | sourcedc.org

In the Mead Theatre Lab at Flashpoint
PUNCH - that's the way we do it!
October 31 - November 22

COMBINED LOT DEVELOPMENT COVENANT

THIS COMBINED LOT DEVELOPMENT COVENANT (the "**Covenant**") is made as of the __ day of _____ 2008 (the "**Effective Date**") by and among THE CULTURAL DEVELOPMENT CORPORATION OF THE DISTRICT OF COLUMBIA, a _____ corporation, its successors, affiliates and assigns ("**Parcel A Owner**"), 1920 8TH STREET LLC, a Delaware limited liability company, its successors, affiliates and assigns ("**Parcel B Owner**"), and the DISTRICT OF COLUMBIA, a municipal corporation acting in its own name, or by and through its agencies, departments or instrumentalities, whether or not such agencies, departments or instrumentalities are specifically identified herein (the "**District**"). Parcel A Owner, Parcel B Owner, and the District hereby ratify, affirm and agree to the following terms, conditions, covenants, warranties, and obligations, including but not limited to, all recitals.

RECITALS

A. When used in this Covenant, the following capitalized terms shall have the meanings indicated:

"**Arts District**" – the zone district known as the Uptown Arts-Mixed Use (ARTS) Overlay District. The regulations governing use and development of land in the Arts District are set forth in Chapter 19 of the District of Columbia Zoning Regulations.

"**Arts Regulations**" – the Zoning Regulations applicable to the Arts District, codified at Chapter 19 of the Zoning Regulations, enacted by the Zoning Commission in Order No. 632 (Case No. 87-7), published at 37 DCR 1450 (February 23, 1990), as amended by the Commission on October 19, 1992, published at 39 DCR 8323 (November 13, 1992), as further amended by the Commission in Order No. 632B, on January 11, 1993, published at 40 DCR 1645, on February 26, 1993, and as further amended by the Commission in Order No. 632C, on October 17, 1994, published at 42 DCR 2403, on May 12, 1995. References in this Covenant to the Arts Regulations shall be to those in effect as of the Effective Date (defined in Paragraph 3 below) of this Covenant.

"**Arts and Arts Related Uses**" – those uses set forth in Section 1908.1 of the Arts Regulations.

"**Combined Lot**" – collectively, Parcel A and Parcel B.

"**Floor Area Ratio**" or "**FAR**" – as defined in the Zoning Regulations.

"**Gross Floor Area**" - as defined in the Zoning Regulations.

"**Land Records**" – the Land Records of the Office of the Recorder of Deeds of the District of Columbia.

"**Parcel A**" – Lots 33 and 34 in Square 238 of the District of Columbia (or any successor tax lot or record lot), containing approximately 4,326 square feet of land area, as the same is more particularly described on Exhibit A.

"**Parcel A Improvements**" – a legitimate theater project occupying space in a building constructed before 1958 and located on Parcel A containing approximately 7,734 square feet of arts and/or arts-related space.

"**Parcel B**" – Lot 46 in Square 393 of the District of Columbia (or any record lot comprised of all of the foregoing), containing approximately 11,320 square feet of land area, as the same are more particularly described on Exhibit B.

"**Parcel B Improvements**" – a proposed building to be located on Parcel B that will contain approximately _____ square feet of nonresidential Gross Floor Area.

"**Retail and Services Uses**" – those uses set forth in Section 1907.1 of the Arts Regulations.

"**Zoning Commission**" – the Zoning Commission for the District of Columbia.

"**Zoning Regulations**" – the Zoning Regulations of the District of Columbia, codified at Title 11, D.C.M.R., July 1995, as amended by subsequent orders of the Zoning Commission. References in this Covenant to the Zoning Regulations shall be to those in effect as of the Effective Date of this Covenant.

B. Parcel A Owner is the record owner of fee simple title to Parcel A. Parcel A Owner has provided to the Office of Planning an up-to-date title report evidencing that Parcel A Owner owns fee simple title to Parcel A.

C. Parcel B Owner is the record owner of fee simple title to Parcel B. Parcel B Owner has provided to the Office of Planning an up-to-date title report evidencing that Parcel B Owner owns fee simple title to Parcel B.

D. The Zoning Commission, pursuant to its authority under the Zoning Act, D.C. Code §§ 6-641.01 through 6-641.15 (2001), on February 23, 1990, enacted amendments to the Zoning Regulations in Zoning Commission Order No. 632 (as amended by Zoning Commission Order Nos. 632-A through 632-C) establishing and mapping the Arts District, which amendments constitute the Arts Regulations.

E. The purposes of the Arts District are, among other things, (i) to expand the housing supply in the Arts District; (ii) to encourage development of residential and commercial buildings; (iii) to encourage uses that increase pedestrian activity; (iv) to provide for an increased presence and integration of the arts and related cultural and arts-related support uses; and (v) to encourage the adaptive reuse of older buildings in the area, all consistent with the Comprehensive Plan of the District of Columbia relating to this specific area of Washington, D.C., which purpose is further elaborated in Section 1900.2 of the Arts Regulations.

CONFIDENTIAL LA 728

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016608

F. As an incentive for creating and maintaining preferred uses in the Arts District the Arts Regulations permit combined lot development in accordance with Section 1905 of the Arts Regulations, pursuant to which bonus density, in the form of Gross Floor Area, and the permitted mixture of uses among development sites may be allocated between lots. Section 1905.1(b) of the Arts Regulations provides that the maximum floor area for all uses is to be calculated as if the lots were one lot.

G. Parcel A is located in the ARTS/C-3-A zone district. The C-3-A zone district generally provides for a maximum Floor Area Ratio of 4.0, with no more than 2.5 of such Floor Area Ratio devoted to non-residential uses, and a maximum height of 65 feet. The ARTS/C-3-A zone district provides that, with bonus densities for preferred uses, including without limitation arts and arts-related uses such as a legitimate theater, the total permitted Floor Area Ratio shall be 4.5, and the maximum height of buildings, excluding roof structures, shall be 75 feet.

H. Parcel B is located in the ARTS/C-2-B zone district. The C-2-B zone district generally provides for a maximum Floor Area Ratio of 3.5, with no more than 1.5 of such Floor Area Ratio devoted to non-residential uses, and a maximum height of 65 feet. The ARTS/C-2-B zone district provides that, with bonus densities for preferred uses, the maximum Floor Area Ratio shall be 4.5, and the maximum height of buildings shall be 65 feet. In addition, pursuant to Section 1904.3 of the Arts Regulations, a building that includes 3.0 or more FAR devoted to residential use is entitled to a bonus of 0.5 FAR.

I. Parcel A has a land area of 4,326 square feet, for a total maximum permitted development, exclusive of bonuses provided in the Arts Regulations and Zoning Regulations, of 27,304 (4,326 square feet x 4.0) square feet of Gross Floor Area, no more than 10,815 square feet (2.5 FAR) of which may be devoted to nonresidential uses.. The maximum permitted Gross Floor Area on Parcel A inclusive of bonuses is 4.5 FAR, therefore the maximum permitted development on Parcel A is 19,467 (4,326 square feet x 4.5) square feet of Gross Floor Area.

J. Parcel A Owner has constructed a legitimate theater containing 7,734 square feet of Gross Floor Area devoted to arts and/or arts-related uses on Parcel A (the "Parcel A Improvements"). The Parcel A Improvements have a total FAR of 1.79 (7,734/4,326). Pursuant to Section 1904.2 of the Arts Regulations, the Parcel A Improvements have generated 30,936 square feet of bonus density (the sum of (i) 7,734 square feet times 3.0 under Section 1904.2(b) for use as a legitimate theater, and (ii) 7,734 square feet times 1.0 under Section 1904.2(e) as a pre-1958 building being used as a legitimate theater) which may be allocated in accordance with Chapter 19 of the Zoning Regulations.

K. Parcel B has a land area of 11,320 square feet, for a total maximum permitted development, exclusive of bonuses provided for in the Arts Regulations, of 39,620 (11,320 square feet x 3.5) square feet of Gross Floor Area, no more than 16,980 square feet of which may be devoted to nonresidential uses. Pursuant to Section 1904.1 of the Arts Regulations, bonus density may be used to increase the Gross Floor Area of the Parcel B Improvements up to a Floor Area Ratio of 4.5, or 50,940 square feet (11,320 square feet x 4.5). Parcel B Owner is receiving 33,800 square feet of Gross Floor Area via this Covenant to achieve same. Inclusive of bonus density allocated pursuant to Section 1905.1 of the Arts Regulations, the total maximum

CONFIDENTIAL LA 729

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016609

permitted nonresidential development on Parcel B is 50,780 square feet (16,980 square feet plus 33,800 square feet).

L. Parcel B Owner intends to construct a project on Parcel B, as more fully described in Exhibit C.

M. Pursuant to Section 1905.1 of the Arts Regulations, Parcel A Owner and Parcel B Owner have entered into this Covenant concerning the Combined Lot, whereby Parcel A Owner shall allocate, and Parcel B Owner shall accept, 33,800 square feet of unused bonus density on Parcel A upon recordation of this Covenant, such that the 33,800 square feet of Parcel A Owner's bonus density shall be allocated to, and used on, Parcel B, thereby reducing the development rights on Parcel A by a like amount.

N. As a result the allocation effected by this Covenant, Parcel A Owner has [redacted] square feet of unused bonus density remaining on Parcel A to allocate to other sites.

O. The Combined Lot (i.e. Parcels A and B combined) will have a total lot area of 15,646 square feet. No single building will have an FAR greater than 5.0.

P. Parcel A Owner intends that Parcel A shall be held, sold, transferred, conveyed, used or occupied subject to the covenants and obligations contained in this Covenant, which covenants and obligations shall run with Parcel A and shall be binding upon Parcel A Owner, its successors, mortgagees, transferees and assigns.

Q. Parcel B Owner intends that Parcel B shall be held, sold, transferred, conveyed, used or occupied subject to the covenants and obligations contained in this Covenant, which covenants and obligations shall run with Parcel B and shall be binding upon Parcel B Owner, its successors, mortgagees, transferees and assigns.

R. Parcel A Owner has obtained and delivered to the Office of Planning, to the satisfaction of the Office of Planning, evidence that there is no person or entity with an interest in Parcel A, which interest was recorded prior to the Effective Date of this Covenant, whose consent is required in order for this Covenant to be fully effective other than those signatures which are a part of this Covenant.

S. Parcel B Owner has obtained and delivered to the Office of Planning, to the satisfaction of the Office of Planning, evidence that there is no person or entity with an interest in Parcel B, which interest was recorded prior to the Effective Date of this Covenant, whose consent is required in order for this Covenant to be fully effective other than those signatures which are a part of this Covenant.

COVENANTS

NOW, THEREFORE, in consideration of the foregoing Recitals, which are a material part of this Covenant, and the mutual terms, conditions and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District, Parcel A Owner and Parcel B Owner agree to and do hereby covenant as follows:

CONFIDENTIAL LA 730

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016610

1. Purpose. This Covenant constitutes: (1) a declaration of covenants running in perpetuity with Parcel A and Parcel B, as required by Section 1905.1 of the Arts Regulations, which shall be binding upon Parcel A Owner, as to Parcel A, and Parcel B Owner, as to Parcel B, and all respective successors in interest, mortgagees and assigns of any interest in Parcel A or Parcel B, respectively, and upon the District; (2) an instrument confirming that Parcel A Owner has allocated 33,800 square feet of bonus density from Parcel A to Parcel B; (3) an instrument accomplishing the transfer of said 33,800 square feet of Gross Floor Area from Parcel A to Parcel B and confirming the vesting of said 33,800 square feet of Gross Floor Area in Parcel B; and (4) an instrument confirming that the transfer of said 33,800 square feet of Gross Floor Area from Parcel A to Parcel B reduces the bonus density remaining on Parcel A by said 33,800 square feet, leaving Parcel A with [redacted] square feet of bonus density on Parcel A for transfer to another parcel for development within the Arts District.

2. Recitals. The Recitals hereinabove stated are incorporated by reference into the body of this Covenant as if fully set forth herein.

3. Effective Date. This Covenant shall become effective upon the date of its recordation among the Land Records ("**Effective Date**").

4. Parcel B Owner's Declarations. Parcel B Owner hereby subjects Parcel B to the following affirmative and negative conditions, covenants and restrictions:

4.1 Parcel B Owner has the full, unencumbered legal capacity and authority under the laws of the District of Columbia to enter into this Covenant.

4.2 Parcel B Owner represents and warrants that there are no restrictions or adverse claims of record on the use of or otherwise relating to Parcel B or any other obligation or encumbrance of any kind, the requirements of which have not been waived or subordinated, which would impair, delay, prevent or preclude in any manner whatsoever, now or in the future, the performance by Parcel B Owner of its obligations under this Covenant.

4.3 Parcel B Owner represents and warrants to the District as follows:

a) That any Parcel B Improvements to be constructed on Parcel B constitute "new construction" within the meaning of Section 1900.4 of the Arts Regulations.

b) That, as to Parcel B, Exhibit C attached hereto accurately sets forth the maximum permitted Gross Floor Area for all uses on Parcel B.

c) That the correctness of the computations of square feet of Gross Floor Area to be allocated to Parcel B have been verified in writing by the Zoning Administrator and the Office of Planning as shown on the attached Exhibit D.

4.4 Parcel B Owner agrees to construct no more than 4.5 FAR on Parcel B.

CONFIDENTIAL LA 731

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016611

4.5 Parcel B Owner acknowledges the benefits to and burdens upon it which are conferred and created by this Covenant. Parcel B Owner consents to enforcement solely by the District administratively, at law or at equity, of the restrictions, covenants, obligations and agreements contained herein, and nothing contained herein shall be deemed to vest any rights in any other party. Parcel B Owner also represents and warrants that the remedies set forth in this Covenant are not exclusive and that the District and any agency, department or instrumentality of the District, may pursue other remedies not specifically set forth herein.

4.6 References in this Covenant to "Parcel B Owner" or its "successors" or "assigns" shall be deemed to refer to the party then holding title to Parcel B and/or any improvements thereon. If a party no longer holds title to Parcel B and/or improvements thereon, it shall have no further obligation under this Covenant, except as to any liability which shall have accrued during the time a party held title to Parcel B, and/or improvements thereon. References in this Covenant to agencies, departments or instrumentalities of the District shall be deemed to include agencies, departments or instrumentalities succeeding to the jurisdiction thereof pursuant to the laws of the District.

4.7 It is recognized by the parties hereto that Parcel B Owner is the recipient of 33,800 square feet of bonus density which may or may not be constructed on Parcel B and may be used for any purposes permitted by the Zoning Regulations including residential or non-residential purposes.

5. Parcel A Owner's Declarations. Parcel A Owner hereby subjects Parcel A to the following affirmative and negative conditions, covenants and restrictions:

5.1 Parcel A Owner has the full, unencumbered legal capacity and authority under the laws of the District of Columbia to enter into this Covenant.

5.2 [~~Parcel A Owner represents and warrants that there are no restrictions or adverse claims of record on the use of or otherwise relating to Parcel A or any other obligation or encumbrance of any kind, the requirements of which have not been waived or subordinated, which would impair, delay, prevent or preclude in any manner whatsoever, now or in the future, the performance by Parcel A Owner of its obligations under this Covenant.~~]**Intentionally Deleted.**

5.3 [~~Parcel A Owner represents and warrants to the District as follows:~~]**Intentionally Deleted.**

[~~a) That the correctness of the computations of square feet of Gross Floor Area to be allocated to Parcel B has been verified in writing by the Zoning Administrator and the Office of Planning as shown on the attached Exhibit D.~~]

[~~b) That Parcel A Owner has constructed the Parcel A Improvements on Parcel A, and that as a result of such construction and the unused~~

CONFIDENTIAL LA 732

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016612

~~development rights created thereby on Parcel A, Parcel A Owner shall be entitled to allocate at least 33,800 square feet of Gross Floor Area to Parcel B in accordance with Section 1905 of the Arts Regulations. Upon recordation of this Covenant to effect the allocation of said 33,800 square feet of Gross Floor Area from Parcel A to Parcel B, Parcel A Owner shall have _____ square feet of Gross Floor Area available for allocation from Parcel A to other lots in the Arts District in connection with any subsequent combined lot development transactions.~~]

5.4 [~~Parcel A Owner acknowledges the benefits to and burdens upon it which are conferred and created by this Covenant.~~]Parcel A Owner consents to enforcement solely by the District administratively, at law or at equity, of the restrictions, covenants, obligations and agreements contained herein, and nothing contained herein shall be deemed to vest any rights in any other party. Parcel A Owner also [~~represents and warrants~~]**agrees** that the remedies set forth in this Covenant are not exclusive and that the District and any agency, department or instrumentality of the District, may pursue other remedies not specifically set forth herein.

5.5 [~~References in this Covenant to "Parcel A Owner", or its "successors" or "assigns" shall be deemed to refer to the party or parties then holding title to Parcel A and/or any improvements thereon. If a party no longer holds title to any portion of Parcel A and/or improvements thereon, it shall have no further obligation under this Covenant, except as to any liability which shall have accrued during the time a party held title to any portion of Parcel A and/or improvements thereon. References in this Covenant to agencies, departments or instrumentalities of the District shall be deemed to include agencies, departments or instrumentalities succeeding to the jurisdiction thereof pursuant to the laws of the District.~~]**Intentionally Deleted.**

6. Transfer: Effect of Transfer. Parcel A Owner, Parcel D Owner and the District hereby agree that:

6.1 A total of 33,800 square feet of Gross Floor Area is allocated from Parcel A to Parcel B. The foregoing allocation of 33,800 square feet of Gross Floor Area from Parcel A to Parcel B shall fully and unconditionally vest such Gross Floor Area in Parcel B, and may be utilized on and incorporated into improvements to be constructed on Parcel B as though they were "matter of right". Parcel B Owner shall be entitled to obtain all necessary permits and certificates of occupancy for the construction, use and occupancy of such improvements notwithstanding and independent of any circumstance, condition or development related to Parcel A Owner or Parcel A.

6.2 Nothing in this Covenant shall modify, alter or amend in any way whatsoever the availability or applicability of any other provisions of the Arts Regulations to Parcel A and Parcel B, respectively.

6.3 The Parcel A Owner and the Parcel B Owner acknowledge that either may engage in subsequent combined lot developments. Each Owner agrees that the combined size of the land area and structures included in the instant combined lot development, and

CONFIDENTIAL LA 733

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016613

the amount of residential and commercial uses contained therein, will increase as a result of subsequent combined lot developments. Should any property included in a future combined lot development engage in a subsequent combined lot development, the size of the previous combined lot will also increase in the same manner, and any subsequent combined lot development covenants involving either of the lots in this Covenant shall include in its calculation of minimum required uses, maximum non-residential uses, and maximum permitted density, all of the structures and land area involved in this Covenant plus the area of the land and structures that have been added to this combined lot by virtue of all subsequent combined lot developments that can be traced back to this combined lot development. Parcel A Owner and Parcel B Owner further acknowledge that the affected lots, when combined, must provide the minimum required residential uses, contain no more than the maximum amount of permitted non-residential uses, and comply with the overall applicable density and bulk limitations.

7. Prohibited Liens.

7.1 Parcel A. Parcel A Owner shall use best efforts not to permit any governmental or statutory liens (including tax and mechanics' and materialmen's liens that would take priority over this Covenant) to be filed against Parcel A and the improvements to be constructed on Parcel A, except for real estate taxes and assessments not yet due and payable and liens approved by the District in writing. Parcel A Owner shall use best efforts not to default at any time under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant. If Parcel A Owner is in default under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant, the District may, but has no obligation to, cure such default and shall be entitled to repayment of reasonable expenditures. The use of a "best efforts" standard in this Section 7.1 shall not modify or affect any obligation of Parcel A Owner to perform any obligation otherwise required to be performed under applicable law.

7.2 Parcel B. Parcel B Owner shall use best efforts not to permit any governmental or statutory liens (including tax and mechanics' and materialmen's liens that would take priority over this Covenant) to be filed against Parcel B and the improvements to be constructed on Parcel B, except for real estate taxes and assessments not yet due and payable and liens approved by the District in writing. Parcel B Owner shall use best efforts not to default at any time under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant. If Parcel B Owner is in default under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant, the District may, but has no obligation to, cure such default and shall be entitled to repayment of reasonable expenditures. The use of a "best efforts" standard in this Section 7.2 shall not modify or affect any obligation of Parcel B Owner to perform any obligation otherwise required to be performed under applicable law.

8. Real Covenants/Enforceability. The obligations of Parcel A Owner and Parcel B Owner under this Covenant shall be considered covenants running with Parcel A and Parcel B

CONFIDENTIAL LA 734

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016614

and shall be binding on any successor owner (including but not limited to the purchaser at any foreclosure sale and any mortgagees at such time such mortgagee becomes an owner of Parcel A or Parcel B, and their successors and assigns). References to "Parcel A Owner", "Parcel B Owner", "successor" or "assign" shall be deemed to refer to the party then holding title to Parcel A, Parcel B, and/or any improvements thereof. If a party no longer owns fee title to all or any portion of Parcel A or Parcel B, and/or improvements thereon, it shall have no further obligation under this Covenant with respect to such property of which it no longer owns fee title, except as to any liability which shall have accrued during the time such party owned fee title to said portion of Parcel A, Parcel B, and/or improvements thereon. References in this Covenant to agencies, departments or instrumentalities of the District shall be deemed to include agencies, departments or instrumentalities succeeding to the jurisdiction thereof pursuant to the laws of the District.

9. Payment of Taxes and Other Encumbrances. Parcel A Owner and Parcel B Owner shall use best efforts to pay real estate taxes, any assessments and other public charges for Parcel A and Parcel B, respectively, and the improvements thereon, at any time prior to delinquency; provided, however, that nothing contained herein shall in any way lessen, modify or otherwise affect in any manner whatsoever any current or future exemption that may be available under law to relieve either such lot from payment, in whole or in part, of real estate taxes, assessments or other public charges or the right of the respective lot owners or their respective successors or assigns to pursue the application of any such exemption or appeal any taxes assessed against their respective lots. To the extent possible, all other encumbrances, charges and liens which have legal priority over this Covenant and which have not been subordinated to this Covenant, including prior mortgages and deeds of trust which have not been subordinated to this Covenant, shall be paid when due and shall not be in default. Upon written request by the District, Parcel A Owner and Parcel B Owner, with respect to their respective lots, shall furnish to the District reasonable evidence of payment of these items. The use of a "best efforts" standard in this Section 9 shall not modify or affect any obligation otherwise required to be performed under applicable law.

10. Maintenance – No Waste. Parcel A Owner shall protect and preserve its development and maintain the same in good condition and repair, and shall not commit or permit any waste thereof or thereon.

11. Compliance with Laws. Parcel A Owner and Parcel B Owner shall comply with all District of Columbia laws, ordinances, regulations, covenants, conditions, and restrictions affecting their respective parcels and the projects thereon and shall not commit or (to the extent within their reasonable control) permit any act upon or concerning their respective parcels and the allocation of bonus density and preferred uses in violation of any such laws, ordinances, regulations, covenants, conditions and restrictions.

12. District's Rights to Protect. The District may commence, appear in and defend any action or proceeding which may affect the allocation of the bonus density or the preferred uses or the rights or powers of the District with respect to Parcel A and Parcel B pursuant to this Covenant. If Parcel A Owner and/or Parcel B Owner fail to do any act required under this Covenant, the District, without any obligation to do so, after demand upon the breaching party and without releasing the breaching party from any obligations under this Covenant, may cause

CONFIDENTIAL LA 735

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016615

the act to be performed in such manner and to such extent as the District may deem necessary to protect the allocation of the bonus density or the preferred uses and to put the breaching party in compliance with this Covenant. The District is authorized to enter upon Parcel A and Parcel B for such purposes.

13. [~~Joint and Several Liability. Parcel A Owner's and Parcel B Owner's liability shall be several and not joint and several for the performance of any obligations pursuant to the terms of this Covenant. If there is more than one owner of Parcel A, of Parcel B or of any residential units upon Parcel B (such as in a condominium regime), the liability of each such owner for any obligations pursuant to the terms of this Covenant shall be several and not joint and several.~~]Parcel A Owner and Parcel B Owner shall include in their condominium documents, if any, the nature of uses that must be provided within the particular condominium units and state that such uses are subject to this Covenant. Parcel A Owner and Parcel B Owner shall also provide in any leases of space that the use is subject to the requirements of this Covenant. Consistent with the foregoing, an owner of a parcel or a portion of a parcel (such as a condominium regime) shall be liable for the obligations pursuant to the terms of this Covenant only insofar as they relate to the parcel or portion of a parcel owned by such owner.

14. Non-waiver of Terms and Conditions. The District's failure to require prompt enforcement of any required obligation shall not constitute a waiver of the obligation owed or any subsequent required performance of the obligation. No term or condition of this Covenant may be waived or modified except in accordance with Section 15.

15. Modification, Amendment and Termination. This Covenant shall not be modified or amended except by written instrument approved by the Office of Planning and signed by the parties to this Covenant, it being agreed (a) by Parcel B Owner and Parcel A Owner that each shall act in good faith toward the other and use commercially reasonable efforts to promptly modify, amend and/or restate this Covenant at the request of the other party in the event such modification, amendment and/or restatement becomes necessary due to the development plans of Parcel B Owner or Parcel A Owner or as required by applicable law, and (b) by the parties hereto that, in the event the 33,800 square feet of combined lot development rights being allocated to Parcel B pursuant to this Covenant are not used in connection with the construction of the Parcel B Improvements, then this Covenant (and all of the terms and conditions hereof) shall be rendered null and void and of no further force and effect. If the Parcel D Owner does not use the 33,800 square feet of combined lot development rights, it must comply with the Recordation provisions of § 15.3 below, but is not required to comply with the Modification and Amendment provisions of §§ 15.1 and 15.2 below.

15.1 Modifications and Amendments Consistent With the Arts and Zoning Regulations. Any modification or amendment to this Covenant that is consistent with the provisions of the Arts and Zoning Regulations shall be in a form and content approved in writing by the Office of Attorney General, which approval shall include a finding that such modification or amendment is consistent with the Arts Regulations and Zoning Regulations.

15.2 Modifications and Amendments that are Inconsistent with the Arts and Zoning Regulations and/or Termination. No modification or amendment that is not

CONFIDENTIAL LA 736

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016616

consistent with the Arts Regulations and Zoning Regulation, or termination of this Covenant, shall be effective without the written approval of the Board of Zoning Adjustment after a public hearing on such proposed modification, amendment or termination in accordance with Section 1906 of the Arts Regulations.

15.3 Recordation. Any modification, amendment or termination shall be promptly recorded in the Land Records by Parcel A Owner against the title to Parcel A and by Parcel B Owner against the title to Parcel B, with copies of such recorded instruments to be sent to the Zoning Administrator of the District and the Office of Planning.

16. Effect of Repeal or Amendment of the Arts Regulations. Nothing herein shall restrict or impair the Zoning Commission for the District of Columbia from exercising its legal power to amend or repeal the Arts Regulations or any Zoning Regulation of the District. Nothing contained herein shall prevent Parcel B Owner or Parcel A Owner from challenging, contesting or supporting such repeal or amendment or the Zoning Regulations or seeking relief from the Board of Zoning Adjustment.

17. Default: Remedies. If either Parcel A Owner or Parcel B Owner ("**Defaulting Lot Owner**") fails to comply with the provisions of this Covenant **upon at least thirty (30) days written notice and opportunity to cure**, the District may pursue all enforcement actions authorized in law or in equity. Notwithstanding the foregoing, nothing herein shall deprive the Defaulting Lot Owner of the right to pursue an appeal to the appropriate administrative agency or the courts.

18. Assignment. Any and all assigns or successors in interest of Parcel A or Parcel B shall be bound by this Covenant and all other instruments of Parcel A Owner and Parcel B Owner, as applicable, arising from or related to this Covenant.

19. Insurance. Parcel A Owner shall maintain appropriate hazard insurance on its development, providing replacement cost coverage and insuring against loss by fire and such other risks as are customarily covered by extended coverage endorsement. All such insurance shall be for commercially reasonable limits with companies licensed to sell insurance in the District. If requested, Parcel A Owner shall deliver certificates of insurance or copies of all policies to the District. Nothing herein shall waive or modify the terms and provisions of the Condominium Act, D.C. Code §§ 42-1901.01 *et seq.*

20. Condemnation and Insurance Proceeds. Parcel A Owner shall provide reasonable notice to the District of any condemnation proceeding or loss or damage to their respective developments. The District authorizes Parcel A Owner to make a claim for and enter into any compromise or settlement with respect to any proceeds payable as a result of such condemnation, loss or damage. Parcel A Owner will use reasonable business judgment in determining the allocation of condemnation awards or insurance proceeds, subject to the provisions of any mortgage or deed of trust constituting a lien on Parcel A and the rights of any secured party thereunder. Parcel A Owner agrees to apply insurance proceeds for repair or restoration of its development. Nothing herein shall waive or modify the terms and provisions of the Condominium Act, D.C. Code §§ 42-1901.01 *et seq.*

CONFIDENTIAL LA 737

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016617

21. Exhibits. All exhibits referred to in this Covenant are incorporated in this Covenant in full by this reference and made an integral part of this Covenant. The following constitute the exhibits to this Covenant:

A	–	Legal Description of Parcel A
B	–	Legal Description of Parcel B
C	–	Calculations
D	–	Office of Planning/Zoning Administrator Certification

22. Severability. If any provision of this Covenant or its application to any party or circumstances, other than any provision affecting the allocations of Gross Floor Area contained herein, shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Covenant or the application of such provision to such person or circumstances, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law. If the allocations of Gross Floor Area contained herein are determined to be invalid or unenforceable, this Covenant shall terminate and the parties shall take such action as may be necessary to release this Covenant from the Land Records.

23. Notices. All notices, demands, requests, consents, approvals and other communications which may be or are required to be given hereunder shall be in writing and shall be sent by mailing or delivery as follows:

If to Parcel A Owner:	The Cultural Development Corporation of the District of Columbia 916 G Street, NW Washington, DC 20001 Attention: Anne Corbett
If to Parcel B Owner:	1920 8th Street LLC 4326 8th Street, NW Washington, DC 20011 Attention: Robb LaKritz
With a copy to:	Holland & Knight LLP 2099 Pennsylvania Avenue, N.W. Suite 100 Washington, D.C. 20006-6801 Attention: Christopher H. Collins
If to the District:	Director, Office of Planning 801 N. Capitol Street,

CONFIDENTIAL LA 738

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016618

N.E. Fourth Floor
Washington, D.C. 20002

With a copy to: Office of Attorney General
Chief, Land Use Section
1100 15th Street, N.W.
Suite 800
Washington, D.C. 20005

Any party may change any address for the purposes of this Covenant by giving notice in accordance with this Section 23 and without complying with Section 15 above.

Each notice, demand, request, consent, approval or other communication shall be either (i) sent by registered or certified mail, postage prepaid, or (ii) delivered by hand, and shall be deemed sufficiently given for all purposes hereunder five (5) business days after it shall be mailed or, if delivered by hand, when actually received (or when delivery thereof is refused).

24. Rules of Construction. This Covenant shall be construed so that, whenever applicable, the use of the singular shall include the plural, the use of the plural shall include the singular, and the use of any gender shall be applicable to all genders and shall include corporations, partnerships, limited liability companies, limited partnerships, trusts, and other entities, as applicable.

25. Section Headings. The headings to the various sections have been inserted for convenience of reference only and shall not be used to construe this Covenant.

26. Entire Agreement. This Covenant, including any exhibits and appendices referred to herein, as well as any orders, rules and regulations of the District relating to the subject matter hereof, together with the agreements referred to in the Recitals hereof, contain the entire agreement and understanding among all of the parties with respect to the subject matter of this Covenant, and any prior understandings, agreements, restrictions, promises, warranties, representations, covenants or other undertakings among the parties with respect to the subject matter of this Covenant are hereby revoked.

27. Choice of Law. This Covenant shall be construed and enforced in accordance with and shall be governed by the laws of the District of Columbia (without regard to conflicts of laws principles).

28. Counterparts. This Covenant may be executed in counterparts, each of which shall be deemed an original and all counterparts together shall constitute one and the same covenant.

29. Mortgagee Protection. If the holder of any mortgage, deed of trust or other security instrument encumbering either of Parcel A or Parcel B, or both, notifies the District in writing of the existence of such security instrument, stating the recordation information relating thereto and providing an address to which notices should be sent, (i) the District shall use best efforts to provide such holder with a copy of any notice of default sent to a Defaulting Lot Owner under this Covenant, (ii) such holder shall have the right, but not the obligation, to cure

CONFIDENTIAL LA 739

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016619

such default within the time periods set forth in this Covenant for the cure thereof by the Defaulting Lot Owner; provided, if possession of the respective lot is necessary to cure such default, and such holder shall promptly undertake and diligently pursue measures to obtain possession, such cure period shall be extended for such period of time as shall be reasonably necessary to permit such holder to obtain possession of such lot and cure such default, but in no event shall such cure period be extended for more than six (6) months without the express written authorization of the Office of Planning.

[Signatures on Following Pages]

CONFIDENTIAL LA 740

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016620

IN WITNESS WHEREOF, the parties hereto have caused this Covenant to be executed, acknowledged and delivered as of the day and year first above written.

WITNESS:	THE CULTURAL DEVELOPMENT CORPORATION OF THE DISTRICT OF COLUMBIA, a _____ corporation
	By:_____ Name:_____ Title:_____

BEFORE ME, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date _____, personally well known (or satisfactorily proven by the oath of credible witnesses) to me to be the person whose name is subscribed to the foregoing and annexed Combined Lot Development Covenant bearing date as of _____, 2008 who being by me first duly sworn, did depose and state that s/he is the _____ of The Cultural Development Corporation of the District of Columbia, a _____corporation, and the duly appointed attorney-in-fact for said corporation in the foregoing and annexed Combined Lot Development Covenant, and that s/he, being duty authorized so to do, executed and delivered the foregoing and annexed instrument in the name and on behalf of said corporation and acknowledged the same to be its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this _____ day of _____ 2008.

_____
Notary Public

[Notarial Seal]

My Commission Expires: _____

WITNESS:	1920 8TH STREET, LLC, a Delaware limited liability company By: 1920 8TH STREET VENTURE, LLC, a Delaware limited liability company
	By:_____ Name:_____ Title:_____

District of Columbia) ss:

BEFORE ME, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date _____ personally well known (or satisfactorily proven by the oath of credible witnesses) to me to be the person whose name is subscribed to the foregoing and annexed Combined Lot Development Covenant bearing date as of _____ 2008 who being by me first duly sworn, did depose and state that s/he is the _____ of 1920 8th Street Venture, LLC, a Delaware limited liability company, _____ of 1920 8th Street, LLC, a Delaware limited liability company and the duly appointed attorney-in-fact for said limited liability company in the foregoing and annexed Combined Lot Development Covenant, and that s/he, being duly authorized so to do, executed and delivered the foregoing and annexed instrument in the name and on behalf of said limited liability company and acknowledged the same to be its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this _____ day of _____ 2008.

_____
Notary Public

[Notarial Seal]

My Commission Expires: _____

CONFIDENTIAL LA 742

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016622

IN WITNESS WHEREOF, the Mayor of the District of Columbia, having first considered and approved the foregoing Combined Lot Development Covenant, has directed the execution thereof in the name of the District of Columbia, by the Secretary of the District of Columbia, who has hereunto set her hand and affixed the seal of the District of Columbia hereto under authority of the Act of Congress entitled "An Act to Relieve the Commissioners of the District of Columbia of Certain Ministerial Duties" approved February 11,1932.

WITNESS:	DISTRICT OF COLUMBIA (a municipal corporation)
	By: _____ Name: _____ Title: Secretary of the District of Columbia
[CORPORATE SEAL]	

DISTRICT OF COLUMBIA, SS:

I, _____ a Notary Public in and for the District of Columbia, do hereby certify that _____, who is personally known to me as the person named as Secretary of the District of Columbia in the foregoing Combined Lot Development Covenant bearing date as of _____ 2008, and hereunto annexed, personally appeared before me in said District and, as Secretary as aforesaid, and by virtue of the authority in her vested, acknowledged the same to be the act and deed of the Mayor of the District of Columbia and that she delivered the same as such.

GIVEN under my hand and seal this _____ day of _____, 2008.

_____
Notary Public, D.C.;

My commission expires: _____

APPROVED AS TO LEGAL SUFFICIENCY:

By:_____
District of Columbia Office of Attorney General

CONFIDENTIAL LA 743

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016623

EXHIBIT A
(Legal Description of Parcel A)

All that certain lot or parcel of land, together with all improvements thereon, located and being in the City of Washington in the District of Columbia, and being more particularly described as follows:

[INSERT LEGAL DESCRIPTION FOR PARCEL A]

CONFIDENTIAL LA 744

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016624

EXHIBIT B

Legal Description of Parcel B

All that certain lot or parcel of land, together with all improvements thereon, situate and lying in the District of Columbia, and more particularly described as follows:

[INSERT LEGAL DESCRIPTION FOR PARCEL B]

CONFIDENTIAL LA 745

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016625

EXHIBIT C

Insert Parcel B Calculations

A. Parcel B. Parcel B Owner hereby represents and warrants to the District that, as of the date of this Covenant, the Parcel B Improvements shall not exceed the following and that the following figures are correct and accurate:

1.	Maximum permitted Gross Floor Area for all uses on the Parcel B	

CONFIDENTIAL LA 746

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016626

EXHIBIT D

Insert Office of Planning/Zoning Administrator Certification

5336462_v2

CONFIDENTIAL

LA 747

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016627

From: Josh Adler <josh@lakritzadler.com>
Sent: Tuesday, November 18, 2008 12:08 PM
To: 'M. LaKritz Robb' <robb@lakritzadler.com>
Subject: FW: Source CLD
Attach: WS_BinaryComparison_LA- Uptown Arts CLD Covenant with CDCDC-LA- Uptown Arts CLD Covenant with CDCDC v2.doc

---

We just got this redline of the covenant exhibit. Most of the notes are just highlighting blanks. But they did cut a big seller rep section that might be essential for the covenant – I really don't know. If it is, we might need our lawyer to explain to their lawyer that this is just how it is done.

From: Ilana Branda [mailto:ilana@culturaldc.org]
Sent: Monday, November 17, 2008 9:59 AM
To: Josh Adler
Cc: Anne Corbett
Subject: FW: Source CLD

Josh,
Attached are our lawyers comments on the proposed Covenant. We are also concerned with the calculation for square footage. Recital J on page 3 show an accurate calculation of available square footage we have to sell of 30,936. However, beginning with recital K and throughout the rest of the document 33,800 is used. Please let me know how you got to this number, or do we need to change it to the 30,936 throughout the document?
Thanks,
Ilana

Ilana Branda
Program Manager, Housing & Community Development | **Cultural Development Corporation**
Flashpoint | 916 G St, NW | WDC 20001
Source | 1835 14th St, NW | WDC 20009
202.315.1324 | 202.315.1303 fax | ilana@culturaldc.org
culturaldc.org | flashpointdc.org | sourcedc.org

In the Mead Theatre Lab at Flashpoint
PUNCH - that's the way we do it!
October 31 - November 22

COMBINED LOT DEVELOPMENT COVENANT

THIS COMBINED LOT DEVELOPMENT COVENANT (the "**Covenant**") is made as of the __ day of _____ 2008 (the "**Effective Date**") by and among THE CULTURAL DEVELOPMENT CORPORATION OF THE DISTRICT OF COLUMBIA, a _____ corporation, its successors, affiliates and assigns ("**Parcel A Owner**"), 1920 8TH STREET LLC, a Delaware limited liability company, its successors, affiliates and assigns ("**Parcel B Owner**"), and the DISTRICT OF COLUMBIA, a municipal corporation acting in its own name, or by and through its agencies, departments or instrumentalities, whether or not such agencies, departments or instrumentalities are specifically identified herein (the "**District**"). Parcel A Owner, Parcel B Owner, and the District hereby ratify, affirm and agree to the following terms, conditions, covenants, warranties, and obligations, including but not limited to, all recitals.

RECITALS

A. When used in this Covenant, the following capitalized terms shall have the meanings indicated:

"**Arts District**" – the zone district known as the Uptown Arts-Mixed Use (ARTS) Overlay District. The regulations governing use and development of land in the Arts District are set forth in Chapter 19 of the District of Columbia Zoning Regulations.

"**Arts Regulations**" – the Zoning Regulations applicable to the Arts District, codified at Chapter 19 of the Zoning Regulations, enacted by the Zoning Commission in Order No. 632 (Case No. 87-7), published at 37 DCR 1450 (February 23, 1990), as amended by the Commission on October 19, 1992, published at 39 DCR 8323 (November 13, 1992), as further amended by the Commission in Order No. 632B, on January 11, 1993, published at 40 DCR 1645, on February 26, 1993, and as further amended by the Commission in Order No. 632C, on October 17, 1994, published at 42 DCR 2403, on May 12, 1995. References in this Covenant to the Arts Regulations shall be to those in effect as of the Effective Date (defined in Paragraph 3 below) of this Covenant.

"**Arts and Arts Related Uses**" – those uses set forth in Section 1908.1 of the Arts Regulations.

"**Combined Lot**" – collectively, Parcel A and Parcel B.

"**Floor Area Ratio**" or "**FAR**" – as defined in the Zoning Regulations.

"**Gross Floor Area**" - as defined in the Zoning Regulations.

"**Land Records**" – the Land Records of the Office of the Recorder of Deeds of the District of Columbia.

"**Parcel A**" – Lots 33 and 34 in Square 238 of the District of Columbia (or any successor tax lot or record lot), containing approximately 4,326 square feet of land area, as the same is more particularly described on Exhibit A.

"**Parcel A Improvements**" – a legitimate theater project occupying space in a building constructed before 1958 and located on Parcel A containing approximately 7,734 square feet of arts and/or arts-related space.

"**Parcel B**" – Lot 46 in Square 393 of the District of Columbia (or any record lot comprised of all of the foregoing), containing approximately 11,320 square feet of land area, as the same are more particularly described on Exhibit B.

"**Parcel B Improvements**" – a proposed building to be located on Parcel B that will contain approximately _____ square feet of nonresidential Gross Floor Area.

"**Retail and Services Uses**" – those uses set forth in Section 1907.1 of the Arts Regulations.

"**Zoning Commission**" – the Zoning Commission for the District of Columbia.

"**Zoning Regulations**" – the Zoning Regulations of the District of Columbia, codified at Title 11, D.C.M.R., July 1995, as amended by subsequent orders of the Zoning Commission. References in this Covenant to the Zoning Regulations shall be to those in effect as of the Effective Date of this Covenant.

B. Parcel A Owner is the record owner of fee simple title to Parcel A. Parcel A Owner has provided to the Office of Planning an up-to-date title report evidencing that Parcel A Owner owns fee simple title to Parcel A.

C. Parcel B Owner is the record owner of fee simple title to Parcel B. Parcel B Owner has provided to the Office of Planning an up-to-date title report evidencing that Parcel B Owner owns fee simple title to Parcel B.

D. The Zoning Commission, pursuant to its authority under the Zoning Act, D.C. Code §§ 6-641.01 through 6-641.15 (2001), on February 23, 1990, enacted amendments to the Zoning Regulations in Zoning Commission Order No. 632 (as amended by Zoning Commission Order Nos. 632-A through 632-C) establishing and mapping the Arts District, which amendments constitute the Arts Regulations.

E. The purposes of the Arts District are, among other things, (i) to expand the housing supply in the Arts District; (ii) to encourage development of residential and commercial buildings; (iii) to encourage uses that increase pedestrian activity; (iv) to provide for an increased presence and integration of the arts and related cultural and arts-related support uses; and (v) to encourage the adaptive reuse of older buildings in the area, all consistent with the Comprehensive Plan of the District of Columbia relating to this specific area of Washington, D.C., which purpose is further elaborated in Section 1900.2 of the Arts Regulations.

CONFIDENTIAL LA 750

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016632

F. As an incentive for creating and maintaining preferred uses in the Arts District the Arts Regulations permit combined lot development in accordance with Section 1905 of the Arts Regulations, pursuant to which bonus density, in the form of Gross Floor Area, and the permitted mixture of uses among development sites may be allocated between lots. Section 1905.1(b) of the Arts Regulations provides that the maximum floor area for all uses is to be calculated as if the lots were one lot.

G. Parcel A is located in the ARTS/C-3-A zone district. The C-3-A zone district generally provides for a maximum Floor Area Ratio of 4.0, with no more than 2.5 of such Floor Area Ratio devoted to non-residential uses, and a maximum height of 65 feet. The ARTS/C-3-A zone district provides that, with bonus densities for preferred uses, including without limitation arts and arts-related uses such as a legitimate theater, the total permitted Floor Area Ratio shall be 4.5, and the maximum height of buildings, excluding roof structures, shall be 75 feet.

H. Parcel B is located in the ARTS/C-2-B zone district. The C-2-B zone district generally provides for a maximum Floor Area Ratio of 3.5, with no more than 1.5 of such Floor Area Ratio devoted to non-residential uses, and a maximum height of 65 feet. The ARTS/C-2-B zone district provides that, with bonus densities for preferred uses, the maximum Floor Area Ratio shall be 4.5, and the maximum height of buildings shall be 65 feet. In addition, pursuant to Section 1904.3 of the Arts Regulations, a building that includes 3.0 or more FAR devoted to residential use is entitled to a bonus of 0.5 FAR.

I. Parcel A has a land area of 4,326 square feet, for a total maximum permitted development, exclusive of bonuses provided in the Arts Regulations and Zoning Regulations, of 27,304 (4,326 square feet x 4.0) square feet of Gross Floor Area, no more than 10,815 square feet (2.5 FAR) of which may be devoted to nonresidential uses.. The maximum permitted Gross Floor Area on Parcel A inclusive of bonuses is 4.5 FAR, therefore the maximum permitted development on Parcel A is 19,467 (4,326 square feet x 4.5) square feet of Gross Floor Area.

J. Parcel A Owner has constructed a legitimate theater containing 7,734 square feet of Gross Floor Area devoted to arts and/or arts-related uses on Parcel A (the "Parcel A Improvements"). The Parcel A Improvements have a total FAR of 1.79 (7,734/4,326). Pursuant to Section 1904.2 of the Arts Regulations, the Parcel A Improvements have generated 30,936 square feet of bonus density (the sum of (i) 7,734 square feet times 3.0 under Section 1904.2(b) for use as a legitimate theater, and (ii) 7,734 square feet times 1.0 under Section 1904.2(e) as a pre-1958 building being used as a legitimate theater) which may be allocated in accordance with Chapter 19 of the Zoning Regulations.

K. Parcel B has a land area of 11,320 square feet, for a total maximum permitted development, exclusive of bonuses provided for in the Arts Regulations, of 39,620 (11,320 square feet x 3.5) square feet of Gross Floor Area, no more than 16,980 square feet of which may be devoted to nonresidential uses. Pursuant to Section 1904.1 of the Arts Regulations, bonus density may be used to increase the Gross Floor Area of the Parcel B Improvements up to a Floor Area Ratio of 4.5, or 50,940 square feet (11,320 square feet x 4.5). Parcel B Owner is receiving 33,800 square feet of Gross Floor Area via this Covenant to achieve same. Inclusive of bonus density allocated pursuant to Section 1905.1 of the Arts Regulations, the total maximum

CONFIDENTIAL LA 751

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016633

permitted nonresidential development on Parcel B is 50,780 square feet (16,980 square feet plus 33,800 square feet).

L. Parcel B Owner intends to construct a project on Parcel B, as more fully described in Exhibit C.

M. Pursuant to Section 1905.1 of the Arts Regulations, Parcel A Owner and Parcel B Owner have entered into this Covenant concerning the Combined Lot, whereby Parcel A Owner shall allocate, and Parcel B Owner shall accept, 33,800 square feet of unused bonus density on Parcel A upon recordation of this Covenant, such that the 33,800 square feet of Parcel A Owner's bonus density shall be allocated to, and used on, Parcel B, thereby reducing the development rights on Parcel A by a like amount.

N. As a result the allocation effected by this Covenant, Parcel A Owner has [redacted] square feet of unused bonus density remaining on Parcel A to allocate to other sites.

O. The Combined Lot (i.e. Parcels A and B combined) will have a total lot area of 15,646 square feet. No single building will have an FAR greater than 5.0.

P. Parcel A Owner intends that Parcel A shall be held, sold, transferred, conveyed, used or occupied subject to the covenants and obligations contained in this Covenant, which covenants and obligations shall run with Parcel A and shall be binding upon Parcel A Owner, its successors, mortgagees, transferees and assigns.

Q. Parcel B Owner intends that Parcel B shall be held, sold, transferred, conveyed, used or occupied subject to the covenants and obligations contained in this Covenant, which covenants and obligations shall run with Parcel B and shall be binding upon Parcel B Owner, its successors, mortgagees, transferees and assigns.

R. Parcel A Owner has obtained and delivered to the Office of Planning, to the satisfaction of the Office of Planning, evidence that there is no person or entity with an interest in Parcel A, which interest was recorded prior to the Effective Date of this Covenant, whose consent is required in order for this Covenant to be fully effective other than those signatures which are a part of this Covenant.

S. Parcel B Owner has obtained and delivered to the Office of Planning, to the satisfaction of the Office of Planning, evidence that there is no person or entity with an interest in Parcel B, which interest was recorded prior to the Effective Date of this Covenant, whose consent is required in order for this Covenant to be fully effective other than those signatures which are a part of this Covenant.

COVENANTS

NOW, THEREFORE, in consideration of the foregoing Recitals, which are a material part of this Covenant, and the mutual terms, conditions and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District, Parcel A Owner and Parcel B Owner agree to and do hereby covenant as follows:

CONFIDENTIAL LA 752

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016634

1. Purpose. This Covenant constitutes: (1) a declaration of covenants running in perpetuity with Parcel A and Parcel B, as required by Section 1905.1 of the Arts Regulations, which shall be binding upon Parcel A Owner, as to Parcel A, and Parcel B Owner, as to Parcel B, and all respective successors in interest, mortgagees and assigns of any interest in Parcel A or Parcel B, respectively, and upon the District; (2) an instrument confirming that Parcel A Owner has allocated 33,800 square feet of bonus density from Parcel A to Parcel B; (3) an instrument accomplishing the transfer of said 33,800 square feet of Gross Floor Area from Parcel A to Parcel B and confirming the vesting of said 33,800 square feet of Gross Floor Area in Parcel B; and (4) an instrument confirming that the transfer of said 33,800 square feet of Gross Floor Area from Parcel A to Parcel B reduces the bonus density remaining on Parcel A by said 33,800 square feet, leaving Parcel A with [redacted] square feet of bonus density on Parcel A for transfer to another parcel for development within the Arts District.

2. Recitals. The Recitals hereinabove stated are incorporated by reference into the body of this Covenant as if fully set forth herein.

3. Effective Date. This Covenant shall become effective upon the date of its recordation among the Land Records ("**Effective Date**").

4. Parcel B Owner's Declarations. Parcel B Owner hereby subjects Parcel B to the following affirmative and negative conditions, covenants and restrictions:

4.1 Parcel B Owner has the full, unencumbered legal capacity and authority under the laws of the District of Columbia to enter into this Covenant.

4.2 Parcel B Owner represents and warrants that there are no restrictions or adverse claims of record on the use of or otherwise relating to Parcel B or any other obligation or encumbrance of any kind, the requirements of which have not been waived or subordinated, which would impair, delay, prevent or preclude in any manner whatsoever, now or in the future, the performance by Parcel B Owner of its obligations under this Covenant.

4.3 Parcel B Owner represents and warrants to the District as follows:

a) That any Parcel B Improvements to be constructed on Parcel B constitute "new construction" within the meaning of Section 1900.4 of the Arts Regulations.

b) That, as to Parcel B, Exhibit C attached hereto accurately sets forth the maximum permitted Gross Floor Area for all uses on Parcel B.

c) That the correctness of the computations of square feet of Gross Floor Area to be allocated to Parcel B have been verified in writing by the Zoning Administrator and the Office of Planning as shown on the attached Exhibit D.

4.4 Parcel B Owner agrees to construct no more than 4.5 FAR on Parcel B.

CONFIDENTIAL LA 753

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016635

4.5 Parcel B Owner acknowledges the benefits to and burdens upon it which are conferred and created by this Covenant. Parcel B Owner consents to enforcement solely by the District administratively, at law or at equity, of the restrictions, covenants, obligations and agreements contained herein, and nothing contained herein shall be deemed to vest any rights in any other party. Parcel B Owner also represents and warrants that the remedies set forth in this Covenant are not exclusive and that the District and any agency, department or instrumentality of the District, may pursue other remedies not specifically set forth herein.

4.6 References in this Covenant to "Parcel B Owner" or its "successors" or "assigns" shall be deemed to refer to the party then holding title to Parcel B and/or any improvements thereon. If a party no longer holds title to Parcel B and/or improvements thereon, it shall have no further obligation under this Covenant, except as to any liability which shall have accrued during the time a party held title to Parcel B, and/or improvements thereon. References in this Covenant to agencies, departments or instrumentalities of the District shall be deemed to include agencies, departments or instrumentalities succeeding to the jurisdiction thereof pursuant to the laws of the District.

4.7 It is recognized by the parties hereto that Parcel B Owner is the recipient of 33,800 square feet of bonus density which may or may not be constructed on Parcel B and may be used for any purposes permitted by the Zoning Regulations including residential or non-residential purposes.

5. Parcel A Owner's Declarations. Parcel A Owner hereby subjects Parcel A to the following affirmative and negative conditions, covenants and restrictions:

5.1 Parcel A Owner has the full, unencumbered legal capacity and authority under the laws of the District of Columbia to enter into this Covenant.

5.2 [~~Parcel A Owner represents and warrants that there are no restrictions or adverse claims of record on the use of or otherwise relating to Parcel A or any other obligation or encumbrance of any kind, the requirements of which have not been waived or subordinated, which would impair, delay, prevent or preclude in any manner whatsoever, now or in the future, the performance by Parcel A Owner of its obligations under this Covenant.~~]**Intentionally Deleted.**

5.3 [~~Parcel A Owner represents and warrants to the District as follows:~~]**Intentionally Deleted.**

[~~a) That the correctness of the computations of square feet of Gross Floor Area to be allocated to Parcel B has been verified in writing by the Zoning Administrator and the Office of Planning as shown on the attached Exhibit D.~~]

[~~b) That Parcel A Owner has constructed the Parcel A Improvements on Parcel A, and that as a result of such construction and the unused~~

CONFIDENTIAL LA 754

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016636

~~development rights created thereby on Parcel A, Parcel A Owner shall be entitled to allocate at least 33,800 square feet of Gross Floor Area to Parcel B in accordance with Section 1905 of the Arts Regulations. Upon recordation of this Covenant to effect the allocation of said 33,800 square feet of Gross Floor Area from Parcel A to Parcel B, Parcel A Owner shall have _____ square feet of Gross Floor Area available for allocation from Parcel A to other lots in the Arts District in connection with any subsequent combined lot development transactions.~~]

5.4 [~~Parcel A Owner acknowledges the benefits to and burdens upon it which are conferred and created by this Covenant.~~]Parcel A Owner consents to enforcement solely by the District administratively, at law or at equity, of the restrictions, covenants, obligations and agreements contained herein, and nothing contained herein shall be deemed to vest any rights in any other party. Parcel A Owner also [~~represents and warrants~~]**agrees** that the remedies set forth in this Covenant are not exclusive and that the District and any agency, department or instrumentality of the District, may pursue other remedies not specifically set forth herein.

5.5 [~~References in this Covenant to "Parcel A Owner", or its "successors" or "assigns" shall be deemed to refer to the party or parties then holding title to Parcel A and/or any improvements thereon. If a party no longer holds title to any portion of Parcel A and/or improvements thereon, it shall have no further obligation under this Covenant, except as to any liability which shall have accrued during the time a party held title to any portion of Parcel A and/or improvements thereon. References in this Covenant to agencies, departments or instrumentalities of the District shall be deemed to include agencies, departments or instrumentalities succeeding to the jurisdiction thereof pursuant to the laws of the District.~~]**Intentionally Deleted.**

6. Transfer: Effect of Transfer. Parcel A Owner, Parcel D Owner and the District hereby agree that:

6.1 A total of 33,800 square feet of Gross Floor Area is allocated from Parcel A to Parcel B. The foregoing allocation of 33,800 square feet of Gross Floor Area from Parcel A to Parcel B shall fully and unconditionally vest such Gross Floor Area in Parcel B, and may be utilized on and incorporated into improvements to be constructed on Parcel B as though they were "matter of right". Parcel B Owner shall be entitled to obtain all necessary permits and certificates of occupancy for the construction, use and occupancy of such improvements notwithstanding and independent of any circumstance, condition or development related to Parcel A Owner or Parcel A.

6.2 Nothing in this Covenant shall modify, alter or amend in any way whatsoever the availability or applicability of any other provisions of the Arts Regulations to Parcel A and Parcel B, respectively.

6.3 The Parcel A Owner and the Parcel B Owner acknowledge that either may engage in subsequent combined lot developments. Each Owner agrees that the combined size of the land area and structures included in the instant combined lot development, and

CONFIDENTIAL LA 755

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016637

the amount of residential and commercial uses contained therein, will increase as a result of subsequent combined lot developments. Should any property included in a future combined lot development engage in a subsequent combined lot development, the size of the previous combined lot will also increase in the same manner, and any subsequent combined lot development covenants involving either of the lots in this Covenant shall include in its calculation of minimum required uses, maximum non-residential uses, and maximum permitted density, all of the structures and land area involved in this Covenant plus the area of the land and structures that have been added to this combined lot by virtue of all subsequent combined lot developments that can be traced back to this combined lot development. Parcel A Owner and Parcel B Owner further acknowledge that the affected lots, when combined, must provide the minimum required residential uses, contain no more than the maximum amount of permitted non-residential uses, and comply with the overall applicable density and bulk limitations.

7. Prohibited Liens.

7.1 Parcel A. Parcel A Owner shall use best efforts not to permit any governmental or statutory liens (including tax and mechanics' and materialmen's liens that would take priority over this Covenant) to be filed against Parcel A and the improvements to be constructed on Parcel A, except for real estate taxes and assessments not yet due and payable and liens approved by the District in writing. Parcel A Owner shall use best efforts not to default at any time under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant. If Parcel A Owner is in default under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant, the District may, but has no obligation to, cure such default and shall be entitled to repayment of reasonable expenditures. The use of a "best efforts" standard in this Section 7.1 shall not modify or affect any obligation of Parcel A Owner to perform any obligation otherwise required to be performed under applicable law.

7.2 Parcel B. Parcel B Owner shall use best efforts not to permit any governmental or statutory liens (including tax and mechanics' and materialmen's liens that would take priority over this Covenant) to be filed against Parcel B and the improvements to be constructed on Parcel B, except for real estate taxes and assessments not yet due and payable and liens approved by the District in writing. Parcel B Owner shall use best efforts not to default at any time under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant. If Parcel B Owner is in default under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant, the District may, but has no obligation to, cure such default and shall be entitled to repayment of reasonable expenditures. The use of a "best efforts" standard in this Section 7.2 shall not modify or affect any obligation of Parcel B Owner to perform any obligation otherwise required to be performed under applicable law.

8. Real Covenants/Enforceability. The obligations of Parcel A Owner and Parcel B Owner under this Covenant shall be considered covenants running with Parcel A and Parcel B

CONFIDENTIAL LA 756

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016638

and shall be binding on any successor owner (including but not limited to the purchaser at any foreclosure sale and any mortgagees at such time such mortgagee becomes an owner of Parcel A or Parcel B, and their successors and assigns). References to "Parcel A Owner", "Parcel B Owner", "successor" or "assign" shall be deemed to refer to the party then holding title to Parcel A, Parcel B, and/or any improvements thereof. If a party no longer owns fee title to all or any portion of Parcel A or Parcel B, and/or improvements thereon, it shall have no further obligation under this Covenant with respect to such property of which it no longer owns fee title, except as to any liability which shall have accrued during the time such party owned fee title to said portion of Parcel A, Parcel B, and/or improvements thereon. References in this Covenant to agencies, departments or instrumentalities of the District shall be deemed to include agencies, departments or instrumentalities succeeding to the jurisdiction thereof pursuant to the laws of the District.

9. Payment of Taxes and Other Encumbrances. Parcel A Owner and Parcel B Owner shall use best efforts to pay real estate taxes, any assessments and other public charges for Parcel A and Parcel B, respectively, and the improvements thereon, at any time prior to delinquency; provided, however, that nothing contained herein shall in any way lessen, modify or otherwise affect in any manner whatsoever any current or future exemption that may be available under law to relieve either such lot from payment, in whole or in part, of real estate taxes, assessments or other public charges or the right of the respective lot owners or their respective successors or assigns to pursue the application of any such exemption or appeal any taxes assessed against their respective lots. To the extent possible, all other encumbrances, charges and liens which have legal priority over this Covenant and which have not been subordinated to this Covenant, including prior mortgages and deeds of trust which have not been subordinated to this Covenant, shall be paid when due and shall not be in default. Upon written request by the District, Parcel A Owner and Parcel B Owner, with respect to their respective lots, shall furnish to the District reasonable evidence of payment of these items. The use of a "best efforts" standard in this Section 9 shall not modify or affect any obligation otherwise required to be performed under applicable law.

10. Maintenance – No Waste. Parcel A Owner shall protect and preserve its development and maintain the same in good condition and repair, and shall not commit or permit any waste thereof or thereon.

11. Compliance with Laws. Parcel A Owner and Parcel B Owner shall comply with all District of Columbia laws, ordinances, regulations, covenants, conditions, and restrictions affecting their respective parcels and the projects thereon and shall not commit or (to the extent within their reasonable control) permit any act upon or concerning their respective parcels and the allocation of bonus density and preferred uses in violation of any such laws, ordinances, regulations, covenants, conditions and restrictions.

12. District's Rights to Protect. The District may commence, appear in and defend any action or proceeding which may affect the allocation of the bonus density or the preferred uses or the rights or powers of the District with respect to Parcel A and Parcel B pursuant to this Covenant. If Parcel A Owner and/or Parcel B Owner fail to do any act required under this Covenant, the District, without any obligation to do so, after demand upon the breaching party and without releasing the breaching party from any obligations under this Covenant, may cause

CONFIDENTIAL LA 757

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016639

the act to be performed in such manner and to such extent as the District may deem necessary to protect the allocation of the bonus density or the preferred uses and to put the breaching party in compliance with this Covenant. The District is authorized to enter upon Parcel A and Parcel B for such purposes.

13. [~~Joint and Several Liability. Parcel A Owner's and Parcel B Owner's liability shall be several and not joint and several for the performance of any obligations pursuant to the terms of this Covenant. If there is more than one owner of Parcel A, of Parcel B or of any residential units upon Parcel B (such as in a condominium regime), the liability of each such owner for any obligations pursuant to the terms of this Covenant shall be several and not joint and several.~~]Parcel A Owner and Parcel B Owner shall include in their condominium documents, if any, the nature of uses that must be provided within the particular condominium units and state that such uses are subject to this Covenant. Parcel A Owner and Parcel B Owner shall also provide in any leases of space that the use is subject to the requirements of this Covenant. Consistent with the foregoing, an owner of a parcel or a portion of a parcel (such as a condominium regime) shall be liable for the obligations pursuant to the terms of this Covenant only insofar as they relate to the parcel or portion of a parcel owned by such owner.

14. Non-waiver of Terms and Conditions. The District's failure to require prompt enforcement of any required obligation shall not constitute a waiver of the obligation owed or any subsequent required performance of the obligation. No term or condition of this Covenant may be waived or modified except in accordance with Section 15.

15. Modification, Amendment and Termination. This Covenant shall not be modified or amended except by written instrument approved by the Office of Planning and signed by the parties to this Covenant, it being agreed (a) by Parcel B Owner and Parcel A Owner that each shall act in good faith toward the other and use commercially reasonable efforts to promptly modify, amend and/or restate this Covenant at the request of the other party in the event such modification, amendment and/or restatement becomes necessary due to the development plans of Parcel B Owner or Parcel A Owner or as required by applicable law, and (b) by the parties hereto that, in the event the 33,800 square feet of combined lot development rights being allocated to Parcel B pursuant to this Covenant are not used in connection with the construction of the Parcel B Improvements, then this Covenant (and all of the terms and conditions hereof) shall be rendered null and void and of no further force and effect. If the Parcel D Owner does not use the 33,800 square feet of combined lot development rights, it must comply with the Recordation provisions of § 15.3 below, but is not required to comply with the Modification and Amendment provisions of §§ 15.1 and 15.2 below.

15.1 Modifications and Amendments Consistent With the Arts and Zoning Regulations. Any modification or amendment to this Covenant that is consistent with the provisions of the Arts and Zoning Regulations shall be in a form and content approved in writing by the Office of Attorney General, which approval shall include a finding that such modification or amendment is consistent with the Arts Regulations and Zoning Regulations.

15.2 Modifications and Amendments that are Inconsistent with the Arts and Zoning Regulations and/or Termination. No modification or amendment that is not

CONFIDENTIAL LA 758

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016640

consistent with the Arts Regulations and Zoning Regulation, or termination of this Covenant, shall be effective without the written approval of the Board of Zoning Adjustment after a public hearing on such proposed modification, amendment or termination in accordance with Section 1906 of the Arts Regulations.

15.3 Recordation. Any modification, amendment or termination shall be promptly recorded in the Land Records by Parcel A Owner against the title to Parcel A and by Parcel B Owner against the title to Parcel B, with copies of such recorded instruments to be sent to the Zoning Administrator of the District and the Office of Planning.

16. Effect of Repeal or Amendment of the Arts Regulations. Nothing herein shall restrict or impair the Zoning Commission for the District of Columbia from exercising its legal power to amend or repeal the Arts Regulations or any Zoning Regulation of the District. Nothing contained herein shall prevent Parcel B Owner or Parcel A Owner from challenging, contesting or supporting such repeal or amendment or the Zoning Regulations or seeking relief from the Board of Zoning Adjustment.

17. Default: Remedies. If either Parcel A Owner or Parcel B Owner ("**Defaulting Lot Owner**") fails to comply with the provisions of this Covenant **upon at least thirty (30) days written notice and opportunity to cure**, the District may pursue all enforcement actions authorized in law or in equity. Notwithstanding the foregoing, nothing herein shall deprive the Defaulting Lot Owner of the right to pursue an appeal to the appropriate administrative agency or the courts.

18. Assignment. Any and all assigns or successors in interest of Parcel A or Parcel B shall be bound by this Covenant and all other instruments of Parcel A Owner and Parcel B Owner, as applicable, arising from or related to this Covenant.

19. Insurance. Parcel A Owner shall maintain appropriate hazard insurance on its development, providing replacement cost coverage and insuring against loss by fire and such other risks as are customarily covered by extended coverage endorsement. All such insurance shall be for commercially reasonable limits with companies licensed to sell insurance in the District. If requested, Parcel A Owner shall deliver certificates of insurance or copies of all policies to the District. Nothing herein shall waive or modify the terms and provisions of the Condominium Act, D.C. Code §§ 42-1901.01 *et seq.*

20. Condemnation and Insurance Proceeds. Parcel A Owner shall provide reasonable notice to the District of any condemnation proceeding or loss or damage to their respective developments. The District authorizes Parcel A Owner to make a claim for and enter into any compromise or settlement with respect to any proceeds payable as a result of such condemnation, loss or damage. Parcel A Owner will use reasonable business judgment in determining the allocation of condemnation awards or insurance proceeds, subject to the provisions of any mortgage or deed of trust constituting a lien on Parcel A and the rights of any secured party thereunder. Parcel A Owner agrees to apply insurance proceeds for repair or restoration of its development. Nothing herein shall waive or modify the terms and provisions of the Condominium Act, D.C. Code §§ 42-1901.01 *et seq.*

CONFIDENTIAL LA 759

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016641

21. Exhibits. All exhibits referred to in this Covenant are incorporated in this Covenant in full by this reference and made an integral part of this Covenant. The following constitute the exhibits to this Covenant:

A	–	Legal Description of Parcel A
B	–	Legal Description of Parcel B
C	–	Calculations
D	–	Office of Planning/Zoning Administrator Certification

22. Severability. If any provision of this Covenant or its application to any party or circumstances, other than any provision affecting the allocations of Gross Floor Area contained herein, shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Covenant or the application of such provision to such person or circumstances, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law. If the allocations of Gross Floor Area contained herein are determined to be invalid or unenforceable, this Covenant shall terminate and the parties shall take such action as may be necessary to release this Covenant from the Land Records.

23. Notices. All notices, demands, requests, consents, approvals and other communications which may be or are required to be given hereunder shall be in writing and shall be sent by mailing or delivery as follows:

If to Parcel A Owner:	The Cultural Development Corporation of the District of Columbia 916 G Street, NW Washington, DC 20001 Attention: Anne Corbett
If to Parcel B Owner:	1920 8th Street LLC 4326 8th Street, NW Washington, DC 20011 Attention: Robb LaKritz
With a copy to:	Holland & Knight LLP 2099 Pennsylvania Avenue, N.W. Suite 100 Washington, D.C. 20006-6801 Attention: Christopher H. Collins
If to the District:	Director, Office of Planning 801 N. Capitol Street,

CONFIDENTIAL LA 760

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016642

N.E. Fourth Floor
Washington, D.C. 20002

With a copy to: Office of Attorney General
Chief, Land Use Section
1100 15th Street, N.W.
Suite 800
Washington, D.C. 20005

Any party may change any address for the purposes of this Covenant by giving notice in accordance with this Section 23 and without complying with Section 15 above.

Each notice, demand, request, consent, approval or other communication shall be either (i) sent by registered or certified mail, postage prepaid, or (ii) delivered by hand, and shall be deemed sufficiently given for all purposes hereunder five (5) business days after it shall be mailed or, if delivered by hand, when actually received (or when delivery thereof is refused).

24. Rules of Construction. This Covenant shall be construed so that, whenever applicable, the use of the singular shall include the plural, the use of the plural shall include the singular, and the use of any gender shall be applicable to all genders and shall include corporations, partnerships, limited liability companies, limited partnerships, trusts, and other entities, as applicable.

25. Section Headings. The headings to the various sections have been inserted for convenience of reference only and shall not be used to construe this Covenant.

26. Entire Agreement. This Covenant, including any exhibits and appendices referred to herein, as well as any orders, rules and regulations of the District relating to the subject matter hereof, together with the agreements referred to in the Recitals hereof, contain the entire agreement and understanding among all of the parties with respect to the subject matter of this Covenant, and any prior understandings, agreements, restrictions, promises, warranties, representations, covenants or other undertakings among the parties with respect to the subject matter of this Covenant are hereby revoked.

27. Choice of Law. This Covenant shall be construed and enforced in accordance with and shall be governed by the laws of the District of Columbia (without regard to conflicts of laws principles).

28. Counterparts. This Covenant may be executed in counterparts, each of which shall be deemed an original and all counterparts together shall constitute one and the same covenant.

29. Mortgagee Protection. If the holder of any mortgage, deed of trust or other security instrument encumbering either of Parcel A or Parcel B, or both, notifies the District in writing of the existence of such security instrument, stating the recordation information relating thereto and providing an address to which notices should be sent, (i) the District shall use best efforts to provide such holder with a copy of any notice of default sent to a Defaulting Lot Owner under this Covenant, (ii) such holder shall have the right, but not the obligation, to cure

CONFIDENTIAL LA 761

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016643

such default within the time periods set forth in this Covenant for the cure thereof by the Defaulting Lot Owner; provided, if possession of the respective lot is necessary to cure such default, and such holder shall promptly undertake and diligently pursue measures to obtain possession, such cure period shall be extended for such period of time as shall be reasonably necessary to permit such holder to obtain possession of such lot and cure such default, but in no event shall such cure period be extended for more than six (6) months without the express written authorization of the Office of Planning.

[Signatures on Following Pages]

CONFIDENTIAL LA 762

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016644

IN WITNESS WHEREOF, the parties hereto have caused this Covenant to be executed, acknowledged and delivered as of the day and year first above written.

WITNESS:	THE CULTURAL DEVELOPMENT CORPORATION OF THE DISTRICT OF COLUMBIA, a _____ corporation
	By:_____ Name:_____ Title:_____

BEFORE ME, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date _____, personally well known (or satisfactorily proven by the oath of credible witnesses) to me to be the person whose name is subscribed to the foregoing and annexed Combined Lot Development Covenant bearing date as of _____, 2008 who being by me first duly sworn, did depose and state that s/he is the _____ of The Cultural Development Corporation of the District of Columbia, a _____corporation, and the duly appointed attorney-in-fact for said corporation in the foregoing and annexed Combined Lot Development Covenant, and that s/he, being duty authorized so to do, executed and delivered the foregoing and annexed instrument in the name and on behalf of said corporation and acknowledged the same to be its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this _____ day of _____ 2008.

_____
Notary Public

[Notarial Seal]

My Commission Expires: _____

WITNESS:	1920 8TH STREET, LLC, a Delaware limited liability company By: 1920 8TH STREET VENTURE, LLC, a Delaware limited liability company
	By:_____ Name:_____ Title:_____

District of Columbia) ss:

BEFORE ME, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date _____ personally well known (or satisfactorily proven by the oath of credible witnesses) to me to be the person whose name is subscribed to the foregoing and annexed Combined Lot Development Covenant bearing date as of _____ 2008 who being by me first duly sworn, did depose and state that s/he is the _____ of 1920 8th Street Venture, LLC, a Delaware limited liability company, _____ of 1920 8th Street, LLC, a Delaware limited liability company and the duly appointed attorney-in-fact for said limited liability company in the foregoing and annexed Combined Lot Development Covenant, and that s/he, being duly authorized so to do, executed and delivered the foregoing and annexed instrument in the name and on behalf of said limited liability company and acknowledged the same to be its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this _____ day of _____ 2008.

_____
Notary Public

[Notarial Seal]

My Commission Expires: _____

CONFIDENTIAL LA 764

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016646

IN WITNESS WHEREOF, the Mayor of the District of Columbia, having first considered and approved the foregoing Combined Lot Development Covenant, has directed the execution thereof in the name of the District of Columbia, by the Secretary of the District of Columbia, who has hereunto set her hand and affixed the seal of the District of Columbia hereto under authority of the Act of Congress entitled "An Act to Relieve the Commissioners of the District of Columbia of Certain Ministerial Duties" approved February 11,1932.

WITNESS:	DISTRICT OF COLUMBIA (a municipal corporation)
	By: _____ Name: _____ Title: Secretary of the District of Columbia
[CORPORATE SEAL]	

DISTRICT OF COLUMBIA, SS:

I, _____ a Notary Public in and for the District of Columbia, do hereby certify that _____, who is personally known to me as the person named as Secretary of the District of Columbia in the foregoing Combined Lot Development Covenant bearing date as of _____ 2008, and hereunto annexed, personally appeared before me in said District and, as Secretary as aforesaid, and by virtue of the authority in her vested, acknowledged the same to be the act and deed of the Mayor of the District of Columbia and that she delivered the same as such.

GIVEN under my hand and seal this _____ day of _____, 2008.

_____
Notary Public, D.C.;

My commission expires: _____

APPROVED AS TO LEGAL SUFFICIENCY:

By:_____
District of Columbia Office of Attorney General

CONFIDENTIAL LA 765

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016647

EXHIBIT A
(Legal Description of Parcel A)

All that certain lot or parcel of land, together with all improvements thereon, located and being in the City of Washington in the District of Columbia, and being more particularly described as follows:

[INSERT LEGAL DESCRIPTION FOR PARCEL A]

CONFIDENTIAL LA 766

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016648

EXHIBIT B

Legal Description of Parcel B

All that certain lot or parcel of land, together with all improvements thereon, situate and lying in the District of Columbia, and more particularly described as follows:

[INSERT LEGAL DESCRIPTION FOR PARCEL B]

CONFIDENTIAL LA 767

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016649

EXHIBIT C

Insert Parcel B Calculations

A. Parcel B. Parcel B Owner hereby represents and warrants to the District that, as of the date of this Covenant, the Parcel B Improvements shall not exceed the following and that the following figures are correct and accurate:

1.	Maximum permitted Gross Floor Area for all uses on the Parcel B	

CONFIDENTIAL LA 768

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016650

EXHIBIT D

Insert Office of Planning/Zoning Administrator Certification

5336462_v2

CONFIDENTIAL LA 769

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016651

From: Brad Voight - LA <brad@lakritzadler.com>
Sent: Wednesday, November 19, 2008 1:48 PM
To: 'Josh Adler' <josh@lakritzadler.com>; 'M. LaKritz Robb' <robb@lakritzadler.com>
Subject: 1920 8th St NW - Property Tax Assessment Appeal
Attach: 20081119134344429.pdf

Attached is a copy of the result of the appeal. Congratulations Josh.

Bradley M. Voight, CPA
Vice President - Finance & Accounting

LAKRITZ | ADLER

LaKritz Adler Development LLC
4326 8th Street, NW
Washington, DC 20011
E-Mail: Brad@LaKritzAdler.com
Phone: 202-882-0808
Fax: 202-882-0809
Cell: 301-742-5789

Government of the District of Columbia

Board of Real Property Assessments and Appeals

Notice of Decision

Tax Year 2009

Date: 11/13/2008

MEDAL INC
9210 PEGASUS CT
POTOMAC, MD 208541661

Square: 0393 Suffix: Lot: 0046
Property Address: 1916 8TH ST NW

This notice is to inform you of the result of your real property assessment hearing, which was held before the Board of Real Property Assessments and Appeals.

Your property's proposed market value based upon the first level appeal with the Real Property Assessment Division is:

2.	3.	4.
3,136,430	6,640	3,143,070
Land	Improvements	Total Proposed Value

As a result of the hearing before the Board of Real Property Assessments and Appeals, your property assessment is:

5.	6.	7.
1,955,751	6,640	1,962,391
Land	Improvements	Total Proposed Value

Petitioners have the right to appeal from an adverse decision of the Board to the Superior Court of the District of Columbia under applicable provisions of the D.C. Code.
Appeals to the D.C. Superior Court must be filed no later than September 30th of the same tax year.
In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax & Revenue.

Board of Real Property Assessments and Appeals

IN ACCORDANCE WITH Section 47.825.1 of the District of Columbia Statutes you Are hereby notified of your assessment for the current year 2009 as finalized by the Board of Real Property Assessments and Appeals for the property described. If YOU WISH TO APPEAL THIS ASSESSMENT FURTHER, SEE THE INFORMATION BELOW.

Date: October 29, 2008

Legal Description of Property

Square: 0393 Lot: 0046

Property Address: 1916 8th St., NW

ORIGINAL ASSESSMENT		FINAL ASSESSMENT	
Land	3,136,430	Land	1,955,751
Improvements	6,640	Improvements	6,640
TOTAL	3,143,070	TOTAL	1,962,391

Rationale

The basis of the appeal is equalization. The petitioner submitted comparables and an oral presentation critiquing the data submitted by the Office of Tax and Revenue. The Office of Tax and Revenue (OTR) provided a listing of land sales including data on zoning, use code, area, FAR, etc., in affirmation of the proposed assessment.

The Board found the data presented by the petitioner more accurately reflects the subject's value for TY 2009. The Board reduces the proposed assessment to $1,962,391.

BOARD MEMBER SIGNATURES

Paula Iannotti James Walker John Mahshie

FURTHER APPEAL PROCEDURES

Petitioners have the right to appeal from an adverse decision of the Board to the Superior Court of the District of Columbia under the applicable provisions of the D.C. Code. Appeals to Superior Court must be filed no later than September 30th of the same year. In order to file an appeal with the D.C. Superior Court, petitioners must pay full year taxes to the Office of Tax and Revenue.

DISTRICT OF COLUMBIA GOVERNMENT
BOARD OF REAL PROPERTY
ASSESSMENTS AND APPEALS
One Judiciary Square
441 4th Street, N.W. Suite 430
Washington, D.C. 20001
202-727-6860 (office)
202-727-0392 (fax)
website: www.brpaa.dc.gov

REAL PROPERTY ASSESSMENT APPEAL FORM

TAX YEAR 2009

PRINT OR TYPE ALL ITEMS NUMBER 1-9. APPEALS MUST BE FILED NO LATER THAN 45 DAYS FROM THE DATE OF FIRST-LEVEL DECISION

RECEIVED SEP - 2 2008 BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS

1. PETITIONER'S NAME AND MAILING ADDRESS:
Name 1920 8TH STREET LLC
Street 4326 8TH ST NW
City WASHINGTON
State DC Zip 20011

2. NAME AND ADDRESS OF OWNER:
Name MEDAL INC
Street 9210 PEGASUS CT
City POTOMAC
State MD Zip 20854-1661

FROM YOUR "REAL PROPERTY PROPOSED ASSESSMENT NOTICE"

3. Square 0393 Suffix ____ Lot 0046
Type of Property (res., etc.) COMMERCIAL LOT
Class 002
Premises Address 1916-1930 8TH ST NW
Neighborhood Code 040
Your Estimate of Value $1,962,391

4. ASSESSED VALUE OF TAX YEARS:

	Last Year 2008	Proposed TY 2009	First Level Assessment Appeal Decision
Land	3,136,430	3,136,430	
Building	6,640	6,640	
Total	3,143,070	3,143,070	

ATTACH COPIES OF INFORMATION ON VALUE OF PROPERTY, INCLUDING APPRAISALS, SALES DATA, PICTURES, ETC.

5. BASIS OF APPEAL
(Check appropriate items)

A. ☐ Property Damage or Condition
B. ☐ Disputed Property Record
C. ☒ Equalization – (higher or lower than other properties of same size or type)
D. ☐ Valuation – (more than 5% higher or lower than correct market value)
E. ☐ Classification Incorrect
F. ☐ Homestead Exemption

6. PROPERTY VALUE INFORMATION

Has property been privately appraised? NO
If appraised prior to January 1st, attach a copy with the appeal.
Purchase Price of Property $ N/A
Date of Purchase N/A
Outstanding Loans on Property
$ NONE Amount ____ Interest ____

7. STATE THE JUSTIFICATION FOR YOUR APPEAL (Attach additional or supporting documents.)
PLEASE SEE ATTACHED VALUE ESTIMATE
BASED ON COMPARABLE SALES.

8. DO YOU REQUEST AN APPEARANCE BEFORE THE BOARD? (check one item) A. ☑ yes B. ☐ no

9. I CERTIFY UNDER PENALTY OF LAW THAT THE INFORMATION PROVIDED IS TRUE, CORRECT AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF. Making a false statement as to material facts is punishable by criminal penalties D.C. Code Section 22-2514.

Signature of OWNER ____ Home Phone 202-368-9669 Office Phone 202-882-0808

Fax Phone 202-882-0809 E-mail Address JOSH@LAKRITZADLER.COM

Date 8-25-08

CONFIDENTIAL LA 773

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016657

From: robb@lakritzadler.com
Sent: Wednesday, November 19, 2008 2:17 PM
To: Mr. Josh Adler <josh@lakritzadler.com>
Subject: Re: 1920 8th St NW - Property Tax Assessment Appeal

Way to go!

Sent via BlackBerry by AT&T

From: "Josh Adler" <josh@lakritzadler.com>
Date: Wed, 19 Nov 2008 14:17:59 -0500
To: 'Brad Voight - LA'<brad@lakritzadler.com>; 'M. LaKritz Robb'<robb@lakritzadler.com>
Subject: RE: 1920 8th St NW - Property Tax Assessment Appeal

Sweet. I don't suppose we get some kind of refund out of this, do we?

From: Brad Voight - LA [mailto:brad@lakritzadler.com]
Sent: Wednesday, November 19, 2008 1:48 PM
To: 'Josh Adler'; 'M. LaKritz Robb'
Subject: 1920 8th St NW - Property Tax Assessment Appeal

Attached is a copy of the result of the appeal. Congratulations Josh.

Bradley M. Voight, CPA
Vice President - Finance & Accounting

LaKritz Adler Development LLC
4326 8th Street, NW
Washington, DC 20011
E-Mail:Brad@LaKritzAdler.com
Phone: 202-882-0808
Fax: 202-882-0809
Cell: 301-742-5789

From: Brad Voight - LA <brad@lakritzadler.com>
Sent: Wednesday, November 19, 2008 2:40 PM
To: 'Josh Adler' <josh@lakritzadler.com>; 'M. LaKritz Robb' <robb@lakritzadler.com>
Subject: RE: 1920 8th St NW - Property Tax Assessment Appeal

This is for the 2009 property taxes. I believe we missed the boat to appeal the 2008 assessment. It would have been due by April 1, 2007.

Bradley M. Voight, CPA
Vice President - Finance & Accounting

LAKRITZ | ADLER

LaKritz Adler Development LLC
4326 8th Street, NW
Washington, DC 20011
E-Mail: Brad@LaKritzAdler.com
Phone: 202-882-0808
Fax: 202-882-0809
Cell: 301-742-5789

-----Original Message-----
From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: 11/19/2008 2:18 PM
To: 'Brad Voight - LA'; 'M. LaKritz Robb'
Subject: RE: 1920 8th St NW - Property Tax Assessment Appeal

Sweet. I don't suppose we get some kind of refund out of this, do we?

From: Brad Voight - LA [mailto:brad@lakritzadler.com]
Sent: Wednesday, November 19, 2008 1:48 PM
To: 'Josh Adler'; 'M. LaKritz Robb'
Subject: 1920 8th St NW - Property Tax Assessment Appeal

Attached is a copy of the result of the appeal. Congratulations Josh.

Bradley M. Voight, CPA
Vice President - Finance & Accounting

LAKRITZ | ADLER

LaKritz Adler Development LLC
4326 8th Street, NW
Washington, DC 20011
E-Mail: Brad@LaKritzAdler.com
Phone: 202-882-0808
Fax: 202-882-0809
Cell: 301-742-5789

From: James, Griffin @ Washington DC <GJames@trammellcrow.com>
Sent: Wednesday, November 26, 2008 11:23 AM
To: josh@lakritzadler.com
Cc: Morgan, Ed @ Washington <emorgan@trammellcrow.com>; Dresback, Jennifer @ Washington DC <jdresback@trammellcrow.com>
Subject: 1920 8th

Josh,

Following-up on our call last Friday, we have been looking at possibilities for the site at 1920 8th Street, albeit amidst significant distractions relating to some of our other medical deals currently in the financing phase as well as the impact of the credit crisis on our business generally.

We have not reached the level of clarity on potential tenants and rents that would be required to accurately put a valuation on the land, though we have outlined a budget and done some market research through calls and comp studies.

We remain interested in the site and would like to continue our efforts. However, any feedback on the window of opportunity would be helpful.

I apologize again for our delayed follow-up to the call.
Please have a great Thanksgiving and I hope to talk again soon,

Griffin

Griffin H. James
Trammell Crow Company
1055 Thomas Jefferson Street NW Suite 600
Washington DC 20007
tel: 202.295.3388
cel: 202.903.5347
fac: 202.337.7364
gjames@trammellcrow.com
www.trammellcrow.com

Trammell Crow Company. Building value.

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, December 11, 2008 2:57 PM
To: 'Julio C. Murillo' <jcmurillo@groupcti.com>
Subject: 1920 8th St
Attach: 1920 8th St NW Plat.pdf; Florida Ave Metro Sites w Metro Entrance.jpg; 1920 8th NPV.xls; 1920 8th street standalone rendering 12-17-07.jpg; Copy of 1920 8th Street NW Unit Analysis 02-14-06 (2).xls

---

Julio,

Attached is the plat and rendering for a by-right office building at 1920 8th Street that we discussed the other night. The current plans call for a 47,600 SF office building, five stories, thus a footprint of about 9,520 SF. We show about 26 parking spaces in a "tuckunder" type garage that would save a lot of construction cost versus doing a true underground garage, but both are options. Under Arts overlay guidelines, site allows up to potentially up to 4.5 FAR of commercial or 5.0 FAR of residential space, or 50,940 square feet, height limit 65' (of course, you could add additional non-FAR private penthouse space above 65', per Modemo) Zoning is C2B Arts Overlay. We have a source for the transferrable arts credits if needed. Lot is 11,320 SF.

Before this office plan, we had Eric Colbert do a residential plan for the site, and I've still got those conceptual plans and yields somewhere around here. If you like to see them, let me know, and I'll go looking for them. He was able to get about 63 units by-right with fairly large average sizes. We took the plan to the historic board, and they had no problem with full height and mass on the site. I'm attaching to this email the one file I found easily from that time – the Colbert plan unit and yield analysis.

I'm also attaching a Google map showing the immediate surrounding area. Our site is marked "8th Street Lot" and shaded. The adjacent Metro lot to north is about 8,600 SF.

We will consider selling our ground lease for a one time payment. We're open to other proposals, but that would be our preference. There's an NPV calculation table attached that shows net value of ground lease today depending on assumption about current land value and holding time, but we're very flexible on this valuation – we'd like to make a deal happen on this site, one way or another. We'd also consider optioning our option at cost on a monthly basis until receiving a larger payment at a future settlement.

We've got a group looking at buying our ground lease to do a medical office building to serve Howard medical Center which is a block away, so we'd appreciate your prompt feedback.

Key Ground Lease Terms:

The property is a Delaware Limited Liability Company known as 1920 8th Street, LLC, which holds a ground lease and purchase option ("Ground Lease") to an approximately 11,320 square foot vacant lot known as Square 393, Lot 46, also known as 1916-1930 8th Street, NW, Washington, DC, zoned C-2-B Arts Overlay.

The Ground Lease contains the following essential terms:

- Medal, Inc., as Landlord and 1920 8th Street, LLC, as Tenant.
- Commences August 3, 2007, with a one year base term and nine one-year renewal options
- Ground rent of $225,000/year in the first year, $150,000/year for renewal terms 1-4, and $200,000/year for renewal terms 5-9.
- Purchase option exercisable at any time during base term and renewals. Exercise price of $4,800,000 in the base term, increasing by 1.5% in each of the first three renewal terms and then remaining fixed at $5,019,256.20 for the remainder of the renewal terms.
- $100,000 of ground rent, once paid, credited toward the purchase option in the base term and in each of the first two renewal terms, with 100% of ground rent paid following the second renewal term and in every renewal term thereafter credited toward the option price. Therefore the purchase option balance due at the end of the last renewal term (that is, on August 3, 2017) shall be $3,419,256.20.
- A one time fee of $175,000 payable to Landlord for resubordination of Landlord's fee interest in land to Tenant's permanent financing lender (if such lender is different from Tenant's construction lender), to be paid upon the sooner of: 1) resubordination of Landlord fee interest to new lender following substantial

completion of project, or 2) upon exercise of purchase option.

- Landlord is obliged under the ground lease to subordinate its unencumbered fee interest in the Property to Tenant's Construction Lender (and subsequent lenders), meaning that Tenant has full use of the land value of the Property as collateral to secure its construction financing.
- Lease is transferrable and assignable without consent of Landlord.

Thanks,

Josh Adler

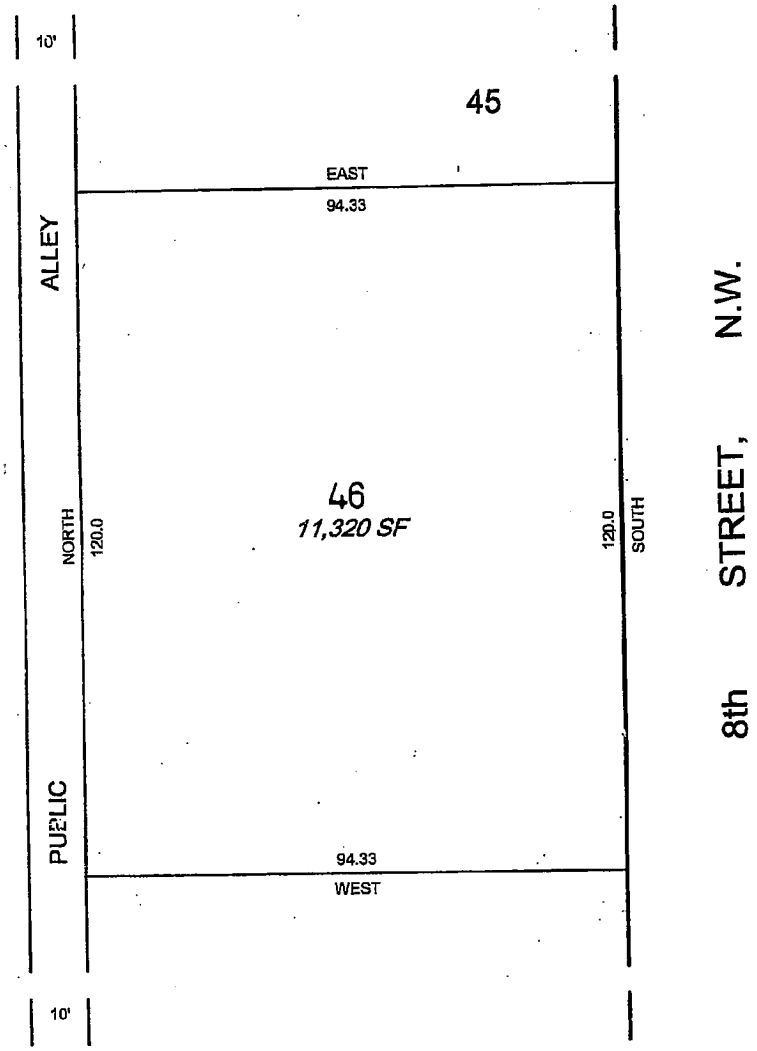
LAKRITZ|ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 016668

CONFIDENTIAL
LA 779

SUBDIVISION
SQUARE 393



U St Metro Entrance
Metro Parcel 1
Metro Parcel 2
8th St Parcel
Metro Parcel 3
Google

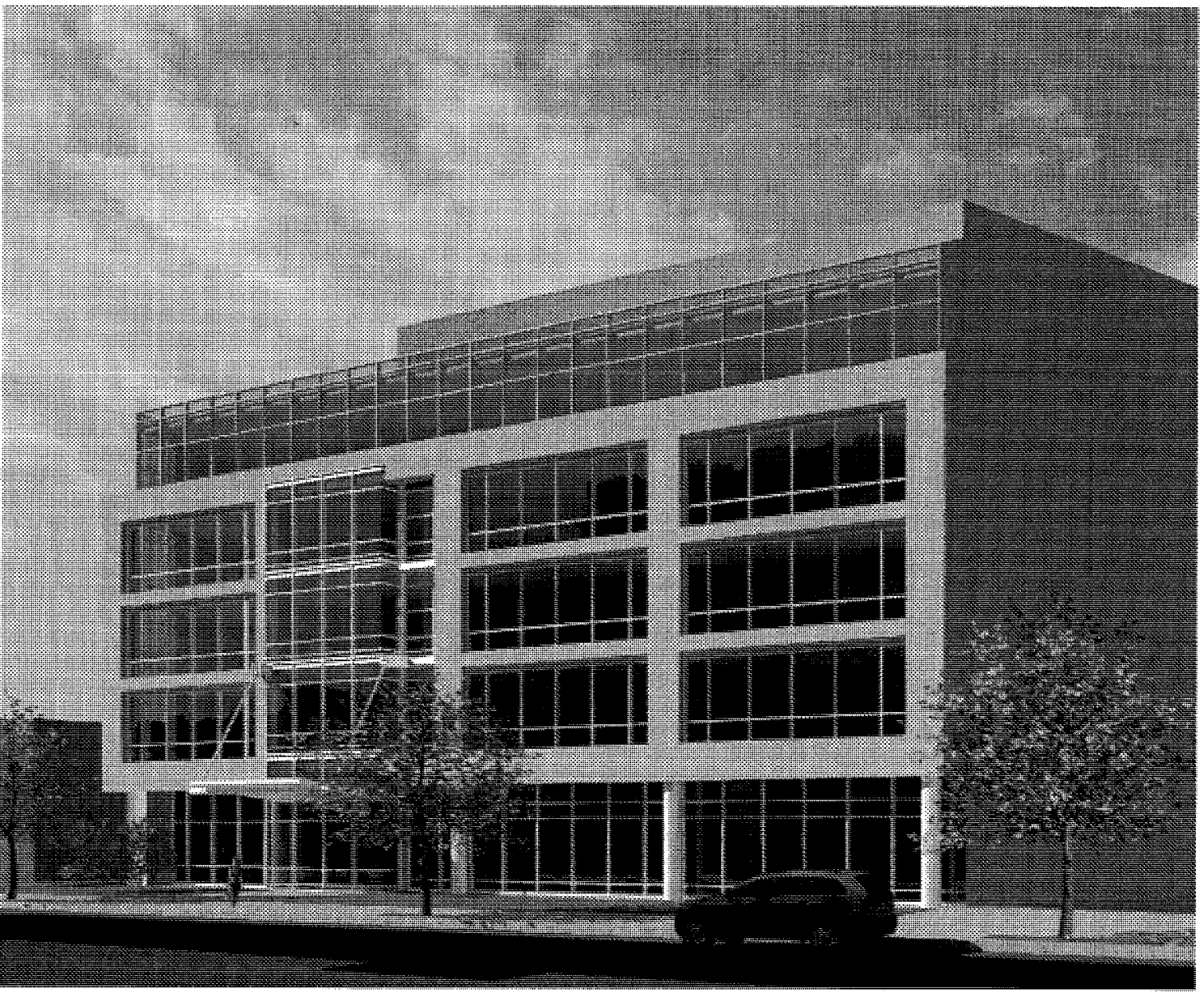
FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G
1			Year	1	2	3	4
2	**Effective Discount Rate:**	**14.87%**	Year Ending in August of...	2008	2009	2010	2011
3	Debt Rate	8%	Ground Lease Payments (as of Year End)	*Pre-Paid*	$ 150,000.00	$ 150,000.00	$ 150,000.00
4	Equity Rate	20%	Accumulated Toward Option	$ 100,000.00	$ 200,000.00	$ 300,000.00	$ 450,000.00
5			Option Price at Year End - 1 day	$ 4,875,000.00	$ 4,847,000.00	$ 4,820,080.00	$ 4,744,256.20
6			NPV in Aug 08 if Option Exercised this Year	$ 4,875,000.00	$3,803,857.05	$3,424,242.61	$3,067,984.19
7			(Assume rent paid at year start, option at year end)				
8			Ground Lease Assignment Fee (Paid Aug 2008)	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00
9			Effective Purchase Price	$ 8,375,000.00	$ 7,303,857.05	$ 6,924,242.61	$ 6,567,984.19
10			Potental Floor Area at 4.5 FAR (SF)	50940	50940	50940	50940
11			Effective Price per FAR-foot	$ 164.41	$ 143.38	$ 135.93	$ 128.94
12		2008 Value/FAR-ft					
13		$ 120.00	Property Market Value at Year End, starting at X/FAR-ft	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14			Net Land Equity at Assignment (Replaces Cash Equity)	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15			Percentage Land Value as Cash	57.26%	57.26%	57.26%	57.26%
16			Percentage Land Value as Debt (i.e., "free" equity)	42.74%	42.74%	42.74%	42.74%
17			Debt Rate x Debt Share of Land Equity	3.42%	3.42%	3.42%	3.42%
18			Equity Rate x Cash Share of Land Equity	11.45%	11.45%	11.45%	11.45%
19			Effective Discount Rate (average cost of capital)	14.87%	14.87%	14.87%	14.87%

WMATA-INV 016672

FOIA CONFIDENTIAL TREATMENT REQUESTED

	H	I	J	K	L	M
1	5	6	7	8	9	10
2	2012	2013	2014	2015	2016	2017
3	$ 150,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00
4	$ 600,000.00	$ 800,000.00	$ 1,000,000.00	$ 1,200,000.00	$ 1,400,000.00	$ 1,600,000.00
5	$ 4,594,256.20	$ 4,394,256.20	$ 4,194,256.20	$ 3,994,256.20	$ 3,794,256.20	$ 3,594,256.20
6	$2,726,396.98	$2,441,975.74	$2,205,644.12	$2,009,717.67	$1,847,695.65	$1,714,083.29
7						
8	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	**$ 3,500,000.00**
9	$ 6,226,396.98	$ 5,941,975.74	$ 5,705,644.12	$ 5,509,717.67	$ 5,347,695.65	$ 5,214,083.29
10	50940	50940	50940	50940	50940	50940
11	$ 122.23	$ 116.65	$ 112.01	$ 108.16	$ 104.98	$ 102.36
12						
13	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15	57.26%	57.26%	57.26%	57.26%	57.26%	57.26%
16	42.74%	42.74%	42.74%	42.74%	42.74%	42.74%
17	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%
18	11.45%	11.45%	11.45%	11.45%	11.45%	11.45%
19	14.87%	14.87%	14.87%	14.87%	14.87%	14.87%



FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1												1920 8th STREET NW			
2												UNIT ANALYSIS			
3												2/14/2006			
4															
5	FLOOR	FAR GSF	NON-FAR GSF	TOTAL GSF	INDOOR RESIDENTIAL GSF		UNIT TYPE / NET SELLABLE SQUARE FEET								
6							Unit Number								
7							1	2	3	4	5	6	7	8	9
8	P2	---	11320	11320	---										
9	P1	---	11320	11320	---										
10	CELLAR	---	7923	7923	7923	Type	2BR	1BR	1BR/Den	Eff	1 BR/Den	1BR/Den	1BR	1BR	---
11						Indoor Area	1,032	785	843	408	841	829	733	707	---
12						Outdoor Area	130	96	105	49	ma	---	---	---	---
13						Total Area	1,162	881	948	457	841	829	733	707	---
14															
15	1ST	8256	80	8336	8336	Type	1BR/Den	1BR	1BR	1BR/Den	Eff	1BR	1BR	1BR	1BR/ Den
16						Indoor Area	880	733	785	843	401	628	829	722	829
17						Outdoor Area	---	---	---	---	---	---	---	---	---
18						Total Area	880	733	785	843	401	628	829	722	829
19															
20	2ND	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
21						Indoor Area	881	733	785	880	859	809	829	765	722
22						Outdoor Area	48	48	48	48	48	51	---	---	---
23						Total Area	929	781	833	928	907	860	829	765	722
24															
25	3RD	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
26						Indoor Area	881	733	785	880	859	809	829	765	722
27						Outdoor Area	48	48	48	48	48	51	---	---	---
28						Total Area	929	781	833	928	907	860	829	765	722
29															
30	4TH	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
31						Indoor Area	881	733	785	880	859	809	829	765	722
32						Outdoor Area	48	48	48	48	48	51	---	---	---
33						Total Area	929	781	833	928	907	860	829	765	722
34															
35	5TH	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
36						Indoor Area	881	733	785	880	859	809	829	765	722
37						Outdoor Area	48	48	48	48	48	51	---	---	---
38						Total Area	929	781	833	928	907	860	829	765	722
39															
40	6TH	7086	428	7514	7216	Type	2BR/Den	2BR/Den	1BR	2BR/Den	2BR/Den	1BR	---	---	---
41						Indoor Area	1,118	1,177	785	1,232	1,259	744	---	---	---
42						Outdoor Area	28	96	48	48	51	---	---	---	---
43						Total Area (6th)	1,146	1,273	833	1,280	1,310	744	---	---	---
44	PENTHOUSE	---	1958	1958	---	Indoor Area	215	326	296	224	252	173	---	---	---
45						Outdoor Area	1041	549	373	866	1,000	790	---	---	---
46						Total Area (Penthouse)	1,256	875	669	1,090	1,252	963	---	---	---

WMATA-INV 016677

FOIA CONFIDENTIAL TREATMENT REQUESTED

	P	Q	R	S	T	U	V	W	X	Y	Z
1											
2											
3											
4											
5		TOTAL INDOOR NSF	TOTAL OUTOOR NSF	TOTAL NSF	UNIT TYPE BREAKDOWN						
6											
7	10				Eff	1BR	1BR/Den	1BR/PH	2BR	2BR/Den/PH	TOTAL
8											
9											
10	---										
11	---	6,178									
12	---		380		1	3	3		1	---	8
13	---			6,558							
14											
15	---										
16		6,650									
17			---		1	5	3		---	---	9
18				6,650							
19											
20	1BR/Den										
21	865	8,128									
22	---		291		---	3	7		---	---	10
23	865			8,419							
24											
25	1BR/Den										
26	865	8,128									
27	---		291		---	3	7		---	---	10
28	865			8,419							
29											
30	1BR/Den										
31	865	8,128									
32	---		291		---	3	7		---	---	10
33	865			8,419							
34											
35	1BR/Den										
36	824	8,087									
37	39		330		---	3	7		---	---	10
38	863			8,417							
39											
40	---										
41	---	6,315									
42	---		271		---	---	---	2	---	4	6
43	---			6,586							
44	---	1,486									
45	---		4,619								
46	---			6,105							

CONFIDENTIAL

LA 785

WMATA-INV 016678

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
47						**Total Indoor Area (6th+PH)**	1333	1503	1081	1456	1511	917			
48						**Total Outdoor Area (6th+PH)**	1069	645	421	914	1051	790			
49						**Total Area (6th+PH)**	**2,402**	**2,148**	**1,502**	**2,370**	**2,562**	**1,707**			
50	**TOTAL**	**51,046**	**34,949**	**85,995**	**59,875**										
51															
52															
53															
54	REC. SPACE AT LOBBY =				823										
55	REC. SPACE AT 6TH FLOOR ROOF =				1721										
56	REC. SPACE AT MAIN ROOF =				0										
57	**TOTAL REC. SPACE**				**2544**										
58	RES. REC. SPACE REQ'D =				8981										
59	MAX. PENTHOUSE AREA =				4188.4										
60															
61															

WMATA-INV 016679

FOIA CONFIDENTIAL TREATMENT REQUESTED

	P	Q	R	S	T	U	V	W	X	Y	Z
47											
48											
49											
50		**53,100**	**6,473**	**59,573**	**2**	**20**	**34**	**2**	**1**	**4**	**63**
51					3.17%	31.75%	53.97%	3.17%	1.59%	6.35%	
52											
53											
54											
55											
56											
57											
58											
59											
60											
61											

WMATA-INV 016680

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, December 11, 2008 3:06 PM
To: 'Andy Glick' <aglick@vanguardrealty.com>
Cc: 'azuckerman@vanguardrealty.com'
Subject: 1920 8th St
Attach: 1920 8th St NW Plat.pdf; Florida Ave Metro Sites w Metro Entrance.jpg; 1920 8th NPV.xls; 1920 8th street standalone rendering 12-17-07.jpg; Copy of 1920 8th Street NW Unit Analysis 02-14-06 (2).xls

---

Andy,

Attached is the plat and rendering for a by-right office building at 1920 8th Street, which could be medical office, as the site is only one block from Howard University Medical Center. The current plans call for a 47,600 SF office building, five stories, thus a footprint of about 9,520 SF. We show about 26 parking spaces in a "tuckunder" type garage that would save a lot of construction cost versus doing a true underground garage, but both are options. Under Arts overlay guidelines, site allows up to potentially up to 4.5 FAR of commercial or 5.0 FAR of residential space, or 50,940 square feet, height limit 65'. Zoning is C2B Arts Overlay. We have a source for the transferrable arts credits if needed (need depends on planned use). Lot is 11,320 SF.

Before this office plan, we had Eric Colbert do a residential plan for the site, and I've still got those conceptual plans and yields somewhere around here. If you'd like to see them, let me know, and I'll go looking for them. He was able to get about 63 units by-right with fairly large average sizes. We took the plan to the historic board, and they had no problem with full height and mass on the site. I'm attaching to this email the one file I found easily from that time – the Colbert plan unit and yield analysis.

I'm also attaching a Google map showing the immediate surrounding area. Our site is marked "8th Street Lot" and shaded. The adjacent Metro lot to north is about 8,600 SF.

We will consider selling our ground lease for a one time payment. We're open to other proposals, but that would be our preference. There's an NPV calculation table attached that shows net value of ground lease today depending on assumption about current land value and holding time, but we're very flexible on this valuation – we'd like to make a deal happen on this site, one way or another. We'd also consider optioning our option at cost+ on a monthly basis until receiving a larger payment at a future settlement, after buyer completes due diligence and entitlements.

We've got a group looking at buying our ground lease to do a medical office building, so we'd appreciate your prompt feedback.

Key Ground Lease Terms:

The property is a Delaware Limited Liability Company known as 1920 8th Street, LLC, which holds a ground lease and purchase option ("Ground Lease") to an approximately 11,320 square foot vacant lot known as Square 393, Lot 46, also known as 1916-1930 8th Street, NW, Washington, DC, zoned C-2-B Arts Overlay.

The Ground Lease contains the following essential terms:

- Medal, Inc., as Landlord and 1920 8th Street, LLC, as Tenant.
- Commences August 3, 2007, with a one year base term and nine one-year renewal options
- Ground rent of $225,000/year in the first year, $150,000/year for renewal terms 1-4, and $200,000/year for renewal terms 5-9.
- Purchase option exercisable at any time during base term and renewals. Exercise price of $4,800,000 in the base term, increasing by 1.5% in each of the first three renewal terms and then remaining fixed at $5,019,256.20 for the remainder of the renewal terms.
- $100,000 of ground rent, once paid, credited toward the purchase option in the base term and in each of the first two renewal terms, with 100% of ground rent paid following the second renewal term and in every renewal term thereafter credited toward the option price. Therefore the purchase option balance due at the end of the last renewal term (that is, on August 3, 2017) shall be $3,419,256.20.
- A one time fee of $175,000 payable to Landlord for resubordination of Landlord's fee interest in land to Tenant's permanent financing lender (if such lender is different from Tenant's construction lender), to be

paid upon the sooner of: 1) resubordination of Landlord fee interest to new lender following substantial completion of project, or 2) upon exercise of purchase option.

- Landlord is obliged under the ground lease to subordinate its unencumbered fee interest in the Property to Tenant's Construction Lender (and subsequent lenders), meaning that Tenant has full use of the land value of the Property as collateral to secure its construction financing.
- Lease is transferrable and assignable without consent of Landlord.

Thanks,

Josh Adler

LAKRITZ | ADLER

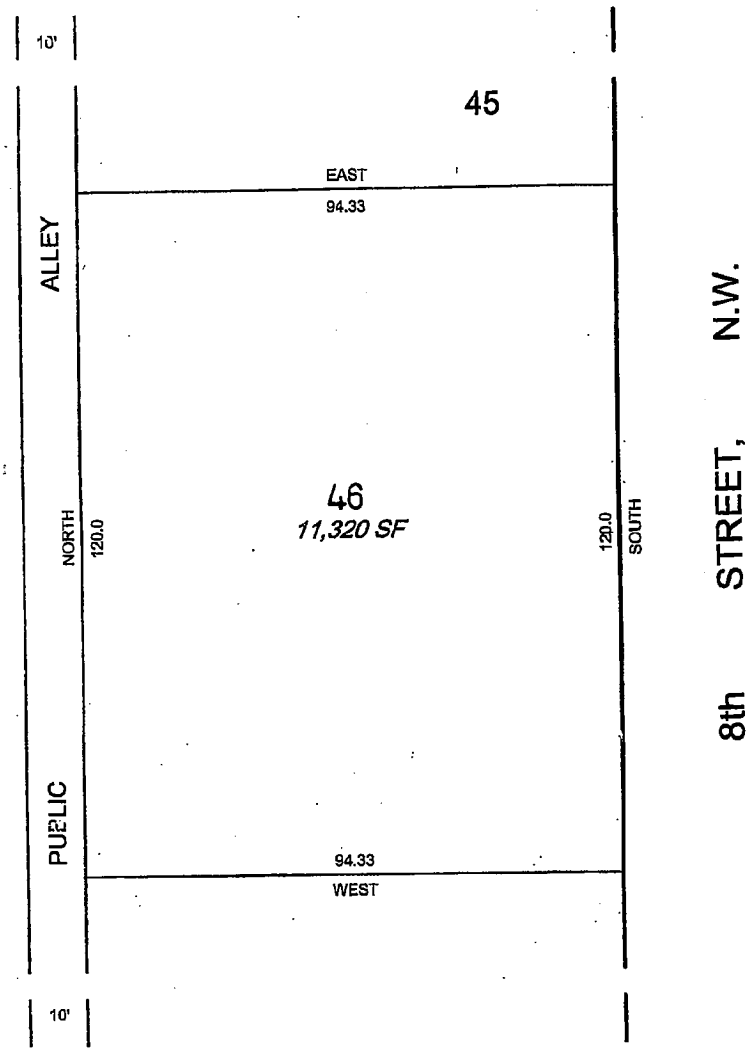
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 016685

CONFIDENTIAL

LA 790

SUBDIVISION
SQUARE 393



Metro Parcel 6
Metro Parcel 5
Metro Parcel 4
Metro Parcel 3
Metro Parcel 2
Metro Parcel 1
Metro Parcel 7
Metro Parcel 8
Metro Parcel 9
Metro Parcel 10
Metro Parcel 11
Metro Parcel 12
Metro Parcel 13
Metro Parcel 14
Metro Parcel 15
Metro Parcel 16
Metro Parcel 17
Metro Parcel 18
Metro Parcel 19
Metro Parcel 20
Metro Parcel 21
Metro Parcel 22
Metro Parcel 23
Metro Parcel 24
Metro Parcel 25
Metro Parcel 26
Metro Parcel 27
Metro Parcel 28
Metro Parcel 29
Metro Parcel 30
Metro Parcel 31
Metro Parcel 32
Metro Parcel 33
Metro Parcel 34
Metro Parcel 35
Metro Parcel 36
Metro Parcel 37
Metro Parcel 38
Metro Parcel 39
Metro Parcel 40
Metro Parcel 41
Metro Parcel 42
Metro Parcel 43
Metro Parcel 44
Metro Parcel 45
Metro Parcel 46
Metro Parcel 47
Metro Parcel 48
Metro Parcel 49
Metro Parcel 50
Metro Parcel 51
Metro Parcel 52
Metro Parcel 53
Metro Parcel 54
Metro Parcel 55
Metro Parcel 56
Metro Parcel 57
Metro Parcel 58
Metro Parcel 59
Metro Parcel 60
Metro Parcel 61
Metro Parcel 62
Metro Parcel 63
Metro Parcel 64
Metro Parcel 65
Metro Parcel 66
Metro Parcel 67
Metro Parcel 68
Metro Parcel 69
Metro Parcel 70
Metro Parcel 71
Metro Parcel 72
Metro Parcel 73
Metro Parcel 74
Metro Parcel 75
Metro Parcel 76
Metro Parcel 77
Metro Parcel 78
Metro Parcel 79
Metro Parcel 80
Metro Parcel 81
Metro Parcel 82
Metro Parcel 83
Metro Parcel 84
Metro Parcel 85
Metro Parcel 86
Metro Parcel 87
Metro Parcel 88
Metro Parcel 89
Metro Parcel 90
Metro Parcel 91
Metro Parcel 92
Metro Parcel 93
Metro Parcel 94
Metro Parcel 95
Metro Parcel 96
Metro Parcel 97
Metro Parcel 98
Metro Parcel 99
Metro Parcel 100
Metro Parcel 101
Metro Parcel 102
Metro Parcel 103
Metro Parcel 104
Metro Parcel 105
Metro Parcel 106
Metro Parcel 107
Metro Parcel 108
Metro Parcel 109
Metro Parcel 110
Metro Parcel 111
Metro Parcel 112
Metro Parcel 113
Metro Parcel 114
Metro Parcel 115
Metro Parcel 116
Metro Parcel 117
Metro Parcel 118
Metro Parcel 119
Metro Parcel 120
Metro Parcel 121
Metro Parcel 122
Metro Parcel 123
Metro Parcel 124
Metro Parcel 125
Metro Parcel 126
Metro Parcel 127
Metro Parcel 128
Metro Parcel 129
Metro Parcel 130
Metro Parcel 131
Metro Parcel 132
Metro Parcel 133
Metro Parcel 134
Metro Parcel 135
Metro Parcel 136
Metro Parcel 137
Metro Parcel 138
Metro Parcel 139
Metro Parcel 140
Metro Parcel 141
Metro Parcel 142
Metro Parcel 143
Metro Parcel 144
Metro Parcel 145
Metro Parcel 146
Metro Parcel 147
Metro Parcel 148
Metro Parcel 149
Metro Parcel 150
Metro Parcel 151
Metro Parcel 152
Metro Parcel 153
Metro Parcel 154
Metro Parcel 155
Metro Parcel 156
Metro Parcel 157
Metro Parcel 158
Metro Parcel 159
Metro Parcel 160
Metro Parcel 161
Metro Parcel 162
Metro Parcel 163
Metro Parcel 164
Metro Parcel 165
Metro Parcel 166
Metro Parcel 167
Metro Parcel 168
Metro Parcel 169
Metro Parcel 170
Metro Parcel 171
Metro Parcel 172
Metro Parcel 173
Metro Parcel 174
Metro Parcel 175
Metro Parcel 176
Metro Parcel 177
Metro Parcel 178
Metro Parcel 179
Metro Parcel 180
Metro Parcel 181
Metro Parcel 182
Metro Parcel 183
Metro Parcel 184
Metro Parcel 185
Metro Parcel 186
Metro Parcel 187
Metro Parcel 188
Metro Parcel 189
Metro Parcel 190
Metro Parcel 191
Metro Parcel 192
Metro Parcel 193
Metro Parcel 194
Metro Parcel 195
Metro Parcel 196
Metro Parcel 197
Metro Parcel 198
Metro Parcel 199
Metro Parcel 200
Metro Parcel 201
Metro Parcel 202
Metro Parcel 203
Metro Parcel 204
Metro Parcel 205
Metro Parcel 206
Metro Parcel 207
Metro Parcel 208
Metro Parcel 209
Metro Parcel 210
Metro Parcel 211
Metro Parcel 212
Metro Parcel 213
Metro Parcel 214
Metro Parcel 215
Metro Parcel 216
Metro Parcel 217
Metro Parcel 218
Metro Parcel 219
Metro Parcel 220
Metro Parcel 221
Metro Parcel 222
Metro Parcel 223
Metro Parcel 224
Metro Parcel 225
Metro Parcel 226
Metro Parcel 227
Metro Parcel 228
Metro Parcel 229
Metro Parcel 230
Metro Parcel 231
Metro Parcel 232
Metro Parcel 233
Metro Parcel 234
Metro Parcel 235
Metro Parcel 236
Metro Parcel 237
Metro Parcel 238
Metro Parcel 239
Metro Parcel 240
Metro Parcel 241
Metro Parcel 242
Metro Parcel 243
Metro Parcel 244
Metro Parcel 245
Metro Parcel 246
Metro Parcel 247
Metro Parcel 248
Metro Parcel 249
Metro Parcel 250
Metro Parcel 251
Metro Parcel 252
Metro Parcel 253
Metro Parcel 254
Metro Parcel 255
Metro Parcel 256
Metro Parcel 257
Metro Parcel 258
Metro Parcel 259
Metro Parcel 260
Metro Parcel 261
Metro Parcel 262
Metro Parcel 263
Metro Parcel 264
Metro Parcel 265
Metro Parcel 266
Metro Parcel 267
Metro Parcel 268
Metro Parcel 269
Metro Parcel 270
Metro Parcel 271
Metro Parcel 272
Metro Parcel 273
Metro Parcel 274
Metro Parcel 275
Metro Parcel 276
Metro Parcel 277
Metro Parcel 278
Metro Parcel 279
Metro Parcel 280
Metro Parcel 281
Metro Parcel 282
Metro Parcel 283
Metro Parcel 284
Metro Parcel 285
Metro Parcel 286
Metro Parcel 287
Metro Parcel 288
Metro Parcel 289
Metro Parcel 290
Metro Parcel 291
Metro Parcel 292
Metro Parcel 293
Metro Parcel 294
Metro Parcel 295
Metro Parcel 296
Metro Parcel 297
Metro Parcel 298
Metro Parcel 299
Metro Parcel 300
Metro Parcel 301
Metro Parcel 302
Metro Parcel 303
Metro Parcel 304
Metro Parcel 305
Metro Parcel 306
Metro Parcel 307
Metro Parcel 308
Metro Parcel 309
Metro Parcel 310
Metro Parcel 311
Metro Parcel 312
Metro Parcel 313
Metro Parcel 314
Metro Parcel 315
Metro Parcel 316
Metro Parcel 317
Metro Parcel 318
Metro Parcel 319
Metro Parcel 320
Metro Parcel 321
Metro Parcel 322
Metro Parcel 323
Metro Parcel 324
Metro Parcel 325
Metro Parcel 326
Metro Parcel 327
Metro Parcel 328
Metro Parcel 329
Metro Parcel 330
Metro Parcel 331
Metro Parcel 332
Metro Parcel 333
Metro Parcel 334
Metro Parcel 335
Metro Parcel 336
Metro Parcel 337
Metro Parcel 338
Metro Parcel 339
Metro Parcel 340
Metro Parcel 341
Metro Parcel 342
Metro Parcel 343
Metro Parcel 344
Metro Parcel 345
Metro Parcel 346
Metro Parcel 347
Metro Parcel 348
Metro Parcel 349
Metro Parcel 350
Metro Parcel 351
Metro Parcel 352
Metro Parcel 353
Metro Parcel 354
Metro Parcel 355
Metro Parcel 356
Metro Parcel 357
Metro Parcel 358
Metro Parcel 359
Metro Parcel 360
Metro Parcel 361
Metro Parcel 362
Metro Parcel 363
Metro Parcel 364
Metro Parcel 365
Metro Parcel 366
Metro Parcel 367
Metro Parcel 368
Metro Parcel 369
Metro Parcel 370
Metro Parcel 371
Metro Parcel 372
Metro Parcel 373
Metro Parcel 374
Metro Parcel 375
Metro Parcel 376
Metro Parcel 377
Metro Parcel 378
Metro Parcel 379
Metro Parcel 380
Metro Parcel 381
Metro Parcel 382
Metro Parcel 383
Metro Parcel 384
Metro Parcel 385
Metro Parcel 386
Metro Parcel 387
Metro Parcel 388
Metro Parcel 389
Metro Parcel 390
Metro Parcel 391
Metro Parcel 392
Metro Parcel 393
Metro Parcel 394
Metro Parcel 395
Metro Parcel 396
Metro Parcel 397
Metro Parcel 398
Metro Parcel 399
Metro Parcel 400
Metro Parcel 401
Metro Parcel 402
Metro Parcel 403
Metro Parcel 404
Metro Parcel 405
Metro Parcel 406
Metro Parcel 407
Metro Parcel 408
Metro Parcel 409
Metro Parcel 410
Metro Parcel 411
Metro Parcel 412
Metro Parcel 413
Metro Parcel 414
Metro Parcel 415
Metro Parcel 416
Metro Parcel 417
Metro Parcel 418
Metro Parcel 419
Metro Parcel 420
Metro Parcel 421
Metro Parcel 422
Metro Parcel 423
Metro Parcel 424
Metro Parcel 425
Metro Parcel 426
Metro Parcel 427
Metro Parcel 428
Metro Parcel 429
Metro Parcel 430
Metro Parcel 431
Metro Parcel 432
Metro Parcel 433
Metro Parcel 434
Metro Parcel 435
Metro Parcel 436
Metro Parcel 437
Metro Parcel 438
Metro Parcel 439
Metro Parcel 440
Metro Parcel 441
Metro Parcel 442
Metro Parcel 443
Metro Parcel 444
Metro Parcel 445
Metro Parcel 446
Metro Parcel 447
Metro Parcel 448
Metro Parcel 449
Metro Parcel 450
Metro Parcel 451
Metro Parcel 452
Metro Parcel 453
Metro Parcel 454
Metro Parcel 455
Metro Parcel 456
Metro Parcel 457
Metro Parcel 458
Metro Parcel 459
Metro Parcel 460
Metro Parcel 461
Metro Parcel 462
Metro Parcel 463
Metro Parcel 464
Metro Parcel 465
Metro Parcel 466
Metro Parcel 467
Metro Parcel 468
Metro Parcel 469
Metro Parcel 470
Metro Parcel 471
Metro Parcel 472
Metro Parcel 473
Metro Parcel 474
Metro Parcel 475
Metro Parcel 476
Metro Parcel 477
Metro Parcel 478
Metro Parcel 479
Metro Parcel 480
Metro Parcel 481
Metro Parcel 482
Metro Parcel 483
Metro Parcel 484
Metro Parcel 485
Metro Parcel 486
Metro Parcel 487
Metro Parcel 488
Metro Parcel 489
Metro Parcel 490
Metro Parcel 491
Metro Parcel 492
Metro Parcel 493
Metro Parcel 494
Metro Parcel 495
Metro Parcel 496
Metro Parcel 497
Metro Parcel 498
Metro Parcel 499
Metro Parcel 500
Metro Parcel 501
Metro Parcel 502
Metro Parcel 503
Metro Parcel 504
Metro Parcel 505
Metro Parcel 506
Metro Parcel 507
Metro Parcel 508
Metro Parcel 509
Metro Parcel 510
Metro Parcel 511
Metro Parcel 512
Metro Parcel 513
Metro Parcel 514
Metro Parcel 515
Metro Parcel 516
Metro Parcel 517
Metro Parcel 518
Metro Parcel 519
Metro Parcel 520
Metro Parcel 521
Metro Parcel 522
Metro Parcel 523
Metro Parcel 524
Metro Parcel 525
Metro Parcel 526
Metro Parcel 527
Metro Parcel 528
Metro Parcel 529
Metro Parcel 530
Metro Parcel 531
Metro Parcel 532
Metro Parcel 533
Metro Parcel 534
Metro Parcel 535
Metro Parcel 536
Metro Parcel 537
Metro Parcel 538
Metro Parcel 539
Metro Parcel 540
Metro Parcel 541
Metro Parcel 542
Metro Parcel 543
Metro Parcel 544
Metro Parcel 545
Metro Parcel 546
Metro Parcel 547
Metro Parcel 548
Metro Parcel 549
Metro Parcel 550
Metro Parcel 551
Metro Parcel 552
Metro Parcel 553
Metro Parcel 554
Metro Parcel 555
Metro Parcel 556
Metro Parcel 557
Metro Parcel 558
Metro Parcel 559
Metro Parcel 560
Metro Parcel 561
Metro Parcel 562
Metro Parcel 563
Metro Parcel 564
Metro Parcel 565
Metro Parcel 566
Metro Parcel 567
Metro Parcel 568
Metro Parcel 569
Metro Parcel 570
Metro Parcel 571
Metro Parcel 572
Metro Parcel 573
Metro Parcel 574
Metro Parcel 575
Metro Parcel 576
Metro Parcel 577
Metro Parcel 578
Metro Parcel 579
Metro Parcel 580
Metro Parcel 581
Metro Parcel 582
Metro Parcel 583
Metro Parcel 584
Metro Parcel 585
Metro Parcel 586
Metro Parcel 587
Metro Parcel 588
Metro Parcel 589
Metro Parcel 590
Metro Parcel 591
Metro Parcel 592
Metro Parcel 593
Metro Parcel 594
Metro Parcel 595
Metro Parcel 596
Metro Parcel 597
Metro Parcel 598
Metro Parcel 599
Metro Parcel 600
Metro Parcel 601
Metro Parcel 602
Metro Parcel 603
Metro Parcel 604
Metro Parcel 605
Metro Parcel 606
Metro Parcel 607
Metro Parcel 608
Metro Parcel 609
Metro Parcel 610
Metro Parcel 611
Metro Parcel 612
Metro Parcel 613
Metro Parcel 614
Metro Parcel 615
Metro Parcel 616
Metro Parcel 617
Metro Parcel 618
Metro Parcel 619
Metro Parcel 620
Metro Parcel 621
Metro Parcel 622
Metro Parcel 623
Metro Parcel 624
Metro Parcel 625
Metro Parcel 626
Metro Parcel 627
Metro Parcel 628
Metro Parcel 629
Metro Parcel 630
Metro Parcel 631
Metro Parcel 632
Metro Parcel 633
Metro Parcel 634
Metro Parcel 635
Metro Parcel 636
Metro Parcel 637
Metro Parcel 638
Metro Parcel 639
Metro Parcel 640
Metro Parcel 641
Metro Parcel 642
Metro Parcel 643
Metro Parcel 644
Metro Parcel 645
Metro Parcel 646
Metro Parcel 647
Metro Parcel 648
Metro Parcel 649
Metro Parcel 650
Metro Parcel 651
Metro Parcel 652
Metro Parcel 653
Metro Parcel 654
Metro Parcel 655
Metro Parcel 656
Metro Parcel 657
Metro Parcel 658
Metro Parcel 659
Metro Parcel 660
Metro Parcel 661
Metro Parcel 662
Metro Parcel 663
Metro Parcel 664
Metro Parcel 665
Metro Parcel 666
Metro Parcel 667
Metro Parcel 668
Metro Parcel 669
Metro Parcel 670
Metro Parcel 671
Metro Parcel 672
Metro Parcel 673
Metro Parcel 674
Metro Parcel 675
Metro Parcel 676
Metro Parcel 677
Metro Parcel 678
Metro Parcel 679
Metro Parcel 680
Metro Parcel 681
Metro Parcel 682
Metro Parcel 683
Metro Parcel 684
Metro Parcel 685
Metro Parcel 686
Metro Parcel 687
Metro Parcel 688
Metro Parcel 689
Metro Parcel 690
Metro Parcel 691
Metro Parcel 692
Metro Parcel 693
Metro Parcel 694
Metro Parcel 695
Metro Parcel 696
Metro Parcel 697
Metro Parcel 698
Metro Parcel 699
Metro Parcel 700
Metro Parcel 701
Metro Parcel 702
Metro Parcel 703
Metro Parcel 704
Metro Parcel 705
Metro Parcel 706
Metro Parcel 707
Metro Parcel 708
Metro Parcel 709
Metro Parcel 710
Metro Parcel 711
Metro Parcel 712
Metro Parcel 713
Metro Parcel 714
Metro Parcel 715
Metro Parcel 716
Metro Parcel 717
Metro Parcel 718
Metro Parcel 719
Metro Parcel 720
Metro Parcel 721
Metro Parcel 722
Metro Parcel 723
Metro Parcel 724
Metro Parcel 725
Metro Parcel 726
Metro Parcel 727
Metro Parcel 728
Metro Parcel 729
Metro Parcel 730
Metro Parcel 731
Metro Parcel 732
Metro Parcel 733
Metro Parcel 734
Metro Parcel 735
Metro Parcel 736
Metro Parcel 737
Metro Parcel 738
Metro Parcel 739
Metro Parcel 740
Metro Parcel 741
Metro Parcel 742
Metro Parcel 743
Metro Parcel 744
Metro Parcel 745
Metro Parcel 746
Metro Parcel 747
Metro Parcel 748
Metro Parcel 749
Metro Parcel 750
Metro Parcel 751
Metro Parcel 752
Metro Parcel 753
Metro Parcel 754
Metro Parcel 755
Metro Parcel 756
Metro Parcel 757
Metro Parcel 758
Metro Parcel 759
Metro Parcel 760
Metro Parcel 761
Metro Parcel 762
Metro Parcel 763
Metro Parcel 764
Metro Parcel 765
Metro Parcel 766
Metro Parcel 767
Metro Parcel 768
Metro Parcel 769
Metro Parcel 770
Metro Parcel 771
Metro Parcel 772
Metro Parcel 773
Metro Parcel 774
Metro Parcel 775
Metro Parcel 776
Metro Parcel 777
Metro Parcel 778
Metro Parcel 779
Metro Parcel 780
Metro Parcel 781
Metro Parcel 782
Metro Parcel 783
Metro Parcel 784
Metro Parcel 785
Metro Parcel 786
Metro Parcel 787
Metro Parcel 788
Metro Parcel 789
Metro Parcel 790
Metro Parcel 791
Metro Parcel 792
Metro Parcel 793
Metro Parcel 794
Metro Parcel 795
Metro Parcel 796
Metro Parcel 797
Metro Parcel 798
Metro Parcel 799
Metro Parcel 800
Metro Parcel 801
Metro Parcel 802
Metro Parcel 803
Metro Parcel 804
Metro Parcel 805
Metro Parcel 806
Metro Parcel 807
Metro Parcel 808
Metro Parcel 809
Metro Parcel 810
Metro Parcel 811
Metro Parcel 812
Metro Parcel 813
Metro Parcel 814
Metro Parcel 815
Metro Parcel 816
Metro Parcel 817
Metro Parcel 818
Metro Parcel 819
Metro Parcel 820
Metro Parcel 821
Metro Parcel 822
Metro Parcel 823
Metro Parcel 824
Metro Parcel 825
Metro Parcel 826
Metro Parcel 827
Metro Parcel 828
Metro Parcel 829
Metro Parcel 830
Metro Parcel 831
Metro Parcel 832
Metro Parcel 833
Metro Parcel 834
Metro Parcel 835
Metro Parcel 836
Metro Parcel 837
Metro Parcel 838
Metro Parcel 839
Metro Parcel 840
Metro Parcel 841
Metro Parcel 842
Metro Parcel 843
Metro Parcel 844
Metro Parcel 845
Metro Parcel 846
Metro Parcel 847
Metro Parcel 848
Metro Parcel 849
Metro Parcel 850
Metro Parcel 851
Metro Parcel 852
Metro Parcel 853
Metro Parcel 854
Metro Parcel 855
Metro Parcel 856
Metro Parcel 857
Metro Parcel 858
Metro Parcel 859
Metro Parcel 860
Metro Parcel 861
Metro Parcel 862
Metro Parcel 863
Metro Parcel 864
Metro Parcel 865
Metro Parcel 866
Metro Parcel 867
Metro Parcel 868
Metro Parcel 869
Metro Parcel 870
Metro Parcel 871
Metro Parcel 872
Metro Parcel 873
Metro Parcel 874
Metro Parcel 875
Metro Parcel 876
Metro Parcel 877
Metro Parcel 878
Metro Parcel 879
Metro Parcel 880
Metro Parcel 881
Metro Parcel 882
Metro Parcel 883
Metro Parcel 884
Metro Parcel 885
Metro Parcel 886
Metro Parcel 887
Metro Parcel 888
Metro Parcel 889
Metro Parcel 890
Metro Parcel 891
Metro Parcel 892
Metro Parcel 893
Metro Parcel 894
Metro Parcel 895
Metro Parcel 896
Metro Parcel 897
Metro Parcel 898
Metro Parcel 899
Metro Parcel 900
Metro Parcel 901
Metro Parcel 902
Metro Parcel 903
Metro Parcel 904
Metro Parcel 905
Metro Parcel 906
Metro Parcel 907
Metro Parcel 908
Metro Parcel 909
Metro Parcel 910
Metro Parcel 911
Metro Parcel 912
Metro Parcel 913
Metro Parcel 914
Metro Parcel 915
Metro Parcel 916
Metro Parcel 917
Metro Parcel 918
Metro Parcel 919
Metro Parcel 920
Metro Parcel 921
Metro Parcel 922
Metro Parcel 923
Metro Parcel 924
Metro Parcel 925
Metro Parcel 926
Metro Parcel 927
Metro Parcel 928
Metro Parcel 929
Metro Parcel 930
Metro Parcel 931
Metro Parcel 932
Metro Parcel 933
Metro Parcel 934
Metro Parcel 935
Metro Parcel 936
Metro Parcel 937
Metro Parcel 938
Metro Parcel 939
Metro Parcel 940
Metro Parcel 941
Metro Parcel 942
Metro Parcel 943
Metro Parcel 944
Metro Parcel 945
Metro Parcel 946
Metro Parcel 947
Metro Parcel 948
Metro Parcel 949
Metro Parcel 950
Metro Parcel 951
Metro Parcel 952
Metro Parcel 953
Metro Parcel 954
Metro Parcel 955
Metro Parcel 956
Metro Parcel 957
Metro Parcel 958
Metro Parcel 959
Metro Parcel 960
Metro Parcel 961
Metro Parcel 962
Metro Parcel 963
Metro Parcel 964
Metro Parcel 965
Metro Parcel 966
Metro Parcel 967
Metro Parcel 968
Metro Parcel 969
Metro Parcel 970
Metro Parcel 971
Metro Parcel 972
Metro Parcel 973
Metro Parcel 974
Metro Parcel 975
Metro Parcel 976
Metro Parcel 977
Metro Parcel 978
Metro Parcel 979
Metro Parcel 980
Metro Parcel 981
Metro Parcel 982
Metro Parcel 983
Metro Parcel 984
Metro Parcel 985
Metro Parcel 986
Metro Parcel 987
Metro Parcel 988
Metro Parcel 989
Metro Parcel 990
Metro Parcel 991
Metro Parcel 992
Metro Parcel 993
Metro Parcel 994
Metro Parcel 995
Metro Parcel 996
Metro Parcel 997
Metro Parcel 998
Metro Parcel 999
Metro Parcel 1000
Google

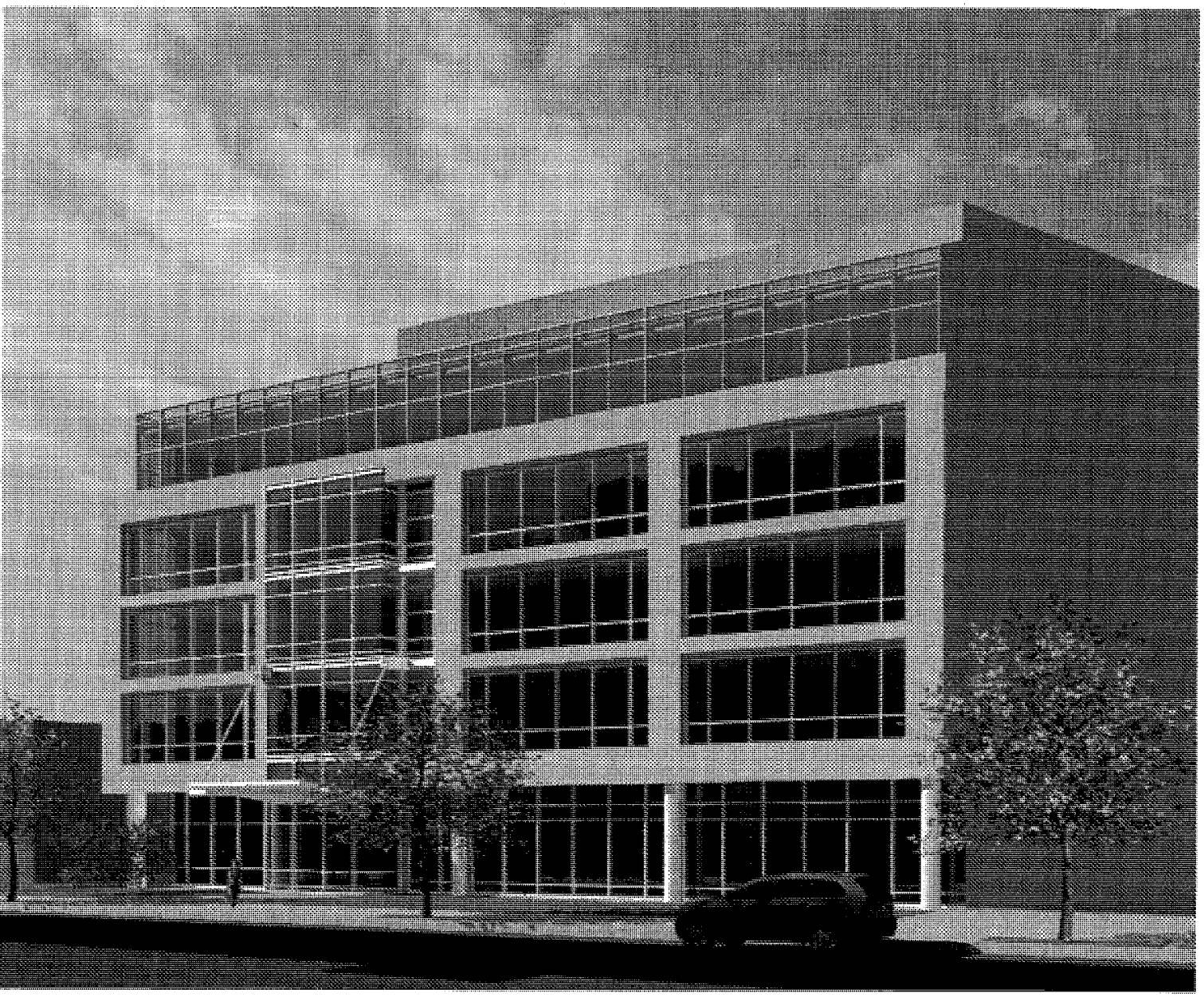
FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G
1			Year	1	2	3	4
2	**Effective Discount Rate:**	**14.87%**	Year Ending in August of...	2008	2009	2010	2011
3	Debt Rate	8%	Ground Lease Payments (as of Year End)	*Pre-Paid*	$ 150,000.00	$ 150,000.00	$ 150,000.00
4	Equity Rate	20%	Accumulated Toward Option	$ 100,000.00	$ 200,000.00	$ 300,000.00	$ 450,000.00
5			Option Price at Year End - 1 day	$ 4,875,000.00	$ 4,847,000.00	$ 4,820,080.00	$ 4,744,256.20
6			NPV in Aug 08 if Option Exercised this Year	$ 4,875,000.00	$3,803,857.05	$3,424,242.61	$3,067,984.19
7			(Assume rent paid at year start, option at year end)				
8			Ground Lease Assignment Fee (Paid Aug 2008)	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00
9			Effective Purchase Price	$ 8,375,000.00	$ 7,303,857.05	$ 6,924,242.61	$ 6,567,984.19
10			Potental Floor Area at 4.5 FAR (SF)	50940	50940	50940	50940
11			Effective Price per FAR-foot	$ 164.41	$ 143.38	$ 135.93	$ 128.94
12		2008 Value/FAR-ft					
13		$ 120.00	Property Market Value at Year End, starting at X/FAR-ft	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14			Net Land Equity at Assignment (Replaces Cash Equity)	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15			Percentage Land Value as Cash	57.26%	57.26%	57.26%	57.26%
16			Percentage Land Value as Debt (i.e., "free" equity)	42.74%	42.74%	42.74%	42.74%
17			Debt Rate x Debt Share of Land Equity	3.42%	3.42%	3.42%	3.42%
18			Equity Rate x Cash Share of Land Equity	11.45%	11.45%	11.45%	11.45%
19			Effective Discount Rate (average cost of capital)	14.87%	14.87%	14.87%	14.87%

WMATA-INV 016689

FOIA CONFIDENTIAL TREATMENT REQUESTED

	H	I	J	K	L	M
1	5	6	7	8	9	10
2	2012	2013	2014	2015	2016	2017
3	$ 150,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00
4	$ 600,000.00	$ 800,000.00	$ 1,000,000.00	$ 1,200,000.00	$ 1,400,000.00	$ 1,600,000.00
5	$ 4,594,256.20	$ 4,394,256.20	$ 4,194,256.20	$ 3,994,256.20	$ 3,794,256.20	$ 3,594,256.20
6	$2,726,396.98	$2,441,975.74	$2,205,644.12	$2,009,717.67	$1,847,695.65	$1,714,083.29
7						
8	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	**$ 3,500,000.00**
9	$ 6,226,396.98	$ 5,941,975.74	$ 5,705,644.12	$ 5,509,717.67	$ 5,347,695.65	$ 5,214,083.29
10	50940	50940	50940	50940	50940	50940
11	$ 122.23	$ 116.65	$ 112.01	$ 108.16	$ 104.98	$ 102.36
12						
13	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15	57.26%	57.26%	57.26%	57.26%	57.26%	57.26%
16	42.74%	42.74%	42.74%	42.74%	42.74%	42.74%
17	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%
18	11.45%	11.45%	11.45%	11.45%	11.45%	11.45%
19	14.87%	14.87%	14.87%	14.87%	14.87%	14.87%



FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	1920 8th STREET NW														
2	UNIT ANALYSIS														
3	2/14/2006														
4															
5	FLOOR	FAR GSF	NON-FAR GSF	TOTAL GSF	INDOOR RESIDENTIAL GSF		UNIT TYPE / NET SELLABLE SQUARE FEET								
6							Unit Number								
7							1	2	3	4	5	6	7	8	9
8	P2	---	11320	11320	---										
9	P1	---	11320	11320	---										
10	CELLAR	---	7923	7923	7923	Type	2BR	1BR	1BR/Den	Eff	1 BR/Den	1BR/Den	1BR	1BR	---
11						Indoor Area	1,032	785	843	408	841	829	733	707	---
12						Outdoor Area	130	96	105	49	ma	---	---	---	---
13						Total Area	1,162	881	948	457	841	829	733	707	---
14															
15	1ST	8256	80	8336	8336	Type	1BR/Den	1BR	1BR	1BR/Den	Eff	1BR	1BR	1BR	1BR/ Den
16						Indoor Area	880	733	785	843	401	628	829	722	829
17						Outdoor Area	---	---	---	---	---	---	---	---	---
18						Total Area	880	733	785	843	401	628	829	722	829
19															
20	2ND	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
21						Indoor Area	881	733	785	880	859	809	829	765	722
22						Outdoor Area	48	48	48	48	48	51	---	---	---
23						Total Area	929	781	833	928	907	860	829	765	722
24															
25	3RD	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
26						Indoor Area	881	733	785	880	859	809	829	765	722
27						Outdoor Area	48	48	48	48	48	51	---	---	---
28						Total Area	929	781	833	928	907	860	829	765	722
29															
30	4TH	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
31						Indoor Area	881	733	785	880	859	809	829	765	722
32						Outdoor Area	48	48	48	48	48	51	---	---	---
33						Total Area	929	781	833	928	907	860	829	765	722
34															
35	5TH	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
36						Indoor Area	881	733	785	880	859	809	829	765	722
37						Outdoor Area	48	48	48	48	48	51	---	---	---
38						Total Area	929	781	833	928	907	860	829	765	722
39															
40	6TH	7086	428	7514	7216	Type	2BR/Den	2BR/Den	1BR	2BR/Den	2BR/Den	1BR	---	---	---
41						Indoor Area	1,118	1,177	785	1,232	1,259	744	---	---	---
42						Outdoor Area	28	96	48	48	51	---	---	---	---
43						Total Area (6th)	1,146	1,273	833	1,280	1,310	744	---	---	---
44	PENTHOUSE	---	1958	1958	---	Indoor Area	215	326	296	224	252	173	---	---	---
45						Outdoor Area	1041	549	373	866	1,000	790	---	---	---
46						Total Area (Penthouse)	1,256	875	669	1,090	1,252	963	---	---	---

WMATA-INV 016694

FOIA CONFIDENTIAL TREATMENT REQUESTED

	P	Q	R	S	T	U	V	W	X	Y	Z
1											
2											
3											
4											
5		TOTAL INDOOR NSF	TOTAL OUTOOR NSF	TOTAL NSF	UNIT TYPE BREAKDOWN						
6											
7	10				Eff	1BR	1BR/Den	1BR/PH	2BR	2BR/Den/PH	TOTAL
8											
9											
10	---										
11	---	6,178									
12	---		380		1	3	3		1	---	8
13	---			6,558							
14											
15	---										
16		6,650									
17			---		1	5	3		---	---	9
18				6,650							
19											
20	1BR/Den										
21	865	8,128									
22	---		291		---	3	7		---	---	10
23	865			8,419							
24											
25	1BR/Den										
26	865	8,128									
27	---		291		---	3	7		---	---	10
28	865			8,419							
29											
30	1BR/Den										
31	865	8,128									
32	---		291		---	3	7		---	---	10
33	865			8,419							
34											
35	1BR/Den										
36	824	8,087									
37	39		330		---	3	7		---	---	10
38	863			8,417							
39											
40	---										
41	---	6,315									
42	---		271		---	---	---	2	---	4	6
43	---			6,586							
44	---	1,486									
45	---		4,619								
46	---			6,105							

CONFIDENTIAL

LA 796

WMATA-INV 016695

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
47						**Total Indoor Area (6th+PH)**	1333	1503	1081	1456	1511	917			
48						**Total Outdoor Area (6th+PH)**	1069	645	421	914	1051	790			
49						**Total Area (6th+PH)**	**2,402**	**2,148**	**1,502**	**2,370**	**2,562**	**1,707**			
50	**TOTAL**	**51,046**	**34,949**	**85,995**	**59,875**										
51															
52															
53															
54	REC. SPACE AT LOBBY =				823										
55	REC. SPACE AT 6TH FLOOR ROOF =				1721										
56	REC. SPACE AT MAIN ROOF =				0										
57	**TOTAL REC. SPACE**				**2544**										
58	RES. REC. SPACE REQ'D =				8981										
59	MAX. PENTHOUSE AREA =				4188.4										
60															
61															

CONFIDENTIAL

WMATA-INV 016696

	P	Q	R	S	T	U	V	W	X	Y	Z
47											
48											
49											
50		**53,100**	**6,473**	**59,573**	**2**	**20**	**34**	**2**	**1**	**4**	**63**
51					3.17%	31.75%	53.97%	3.17%	1.59%	6.35%	
52											
53											
54											
55											
56											
57											
58											
59											
60											
61											

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016697

From: Josh Adler <josh@lakritzadler.com>
Sent: Monday, December 22, 2008 4:20 PM
To: 'Steve Coniglio' <sconiglio@landcappartners.com>
Subject: 1920 8th St (U Street development site)
Attach: 1920 8th St NW Plat.pdf; Florida Ave Metro Sites w Metro Entrance.jpg; 1920 8th NPV.xls; 1920 8th street standalone rendering 12-17-07.jpg; Copy of 1920 8th Street NW Unit Analysis 02-14-06 (2).xls

---

Steve,

Attached is the plat and rendering for a by-right office building at 1920 8th Street, which could also be a residential building. The current plans call for a 47,600 SF office building, five stories, thus a footprint of about 9,520 SF. We show about 26 parking spaces in a "tuckunder" type garage that would save a lot of construction cost versus doing a true underground garage, but both are options. Under Arts overlay guidelines, site allows up to potentially up to 4.5 FAR of commercial or 5.0 FAR of residential space, or 50,940 square feet, height limit 65' (of course, you could add additional non-FAR private penthouse space above 65', per Moderno) Zoning is C2B Arts Overlay. We have a source for the transferrable arts credits if needed. Lot is 11,320 SF.

Before this office plan, we had Eric Colbert do a residential plan for the site, and I've still got those conceptual plans and yields. Colbert was able to get about 63 units by-right with fairly large average sizes. We took the plan to the historic board, and they had no problem with full height and mass on the site. I'm attaching to this email the one file I found easily from that time – the Colbert plan unit mix and yield analysis.

I'm also attaching a Google map showing the immediate surrounding area. Our site is marked "8th Street Lot" and shaded. The adjacent Metro-owned lot to north is about 8,600 SF.

We will consider selling our ground lease for a one time payment. We're open to other proposals, but that would be our preference. There's an NPV calculation table attached that shows net value of ground lease today depending on assumption about current land value and holding time, but we're very flexible on this valuation – we'd like to make a deal happen on this site, one way or another. We'd also consider optioning our option at cost on a monthly basis until receiving a larger payment at a future settlement.

We've got a group looking at buying our ground lease to do a medical office building to serve Howard medical Center which is a block away.

Key Ground Lease Terms:

The property is a Delaware Limited Liability Company known as 1920 8th Street, LLC, which holds a ground lease and purchase option ("Ground Lease") to an approximately 11,320 square foot vacant lot known as Square 393, Lot 46, also known as 1916-1930 8th Street, NW, Washington, DC, zoned C-2-B Arts Overlay.

The Ground Lease contains the following essential terms:

- Medal, Inc., as Landlord and 1920 8th Street, LLC, as Tenant.
- Commences August 3, 2007, with a one year base term and nine one-year renewal options
- Ground rent of $225,000/year in the first year, $150,000/year for renewal terms 1-4, and $200,000/year for renewal terms 5-9.
- Purchase option exercisable at any time during base term and renewals. Exercise price of $4,800,000 in the base term, increasing by 1.5% in each of the first three renewal terms and then remaining fixed at $5,019,256.20 for the remainder of the renewal terms.
- $100,000 of ground rent, once paid, credited toward the purchase option in the base term and in each of the first two renewal terms, with 100% of ground rent paid following the second renewal term and in every renewal term thereafter credited toward the option price. Therefore the purchase option balance due at the end of the last renewal term (that is, on August 3, 2017) shall be $3,419,256.20.
- A one time fee of $175,000 payable to Landlord for resubordination of Landlord's fee interest in land to Tenant's permanent financing lender (if such lender is different from Tenant's construction lender), to be paid upon the sooner of: 1) resubordination of Landlord fee interest to new lender following substantial completion of project, or 2) upon exercise of purchase option.

- Landlord is obliged under the ground lease to subordinate its unencumbered fee interest in the Property to Tenant's Construction Lender (and subsequent lenders), meaning that Tenant has full use of the land value of the Property as collateral to secure its construction financing.
- Lease is transferrable and assignable without consent of Landlord.

Thanks,

Josh

LAKRITZ | ADLER

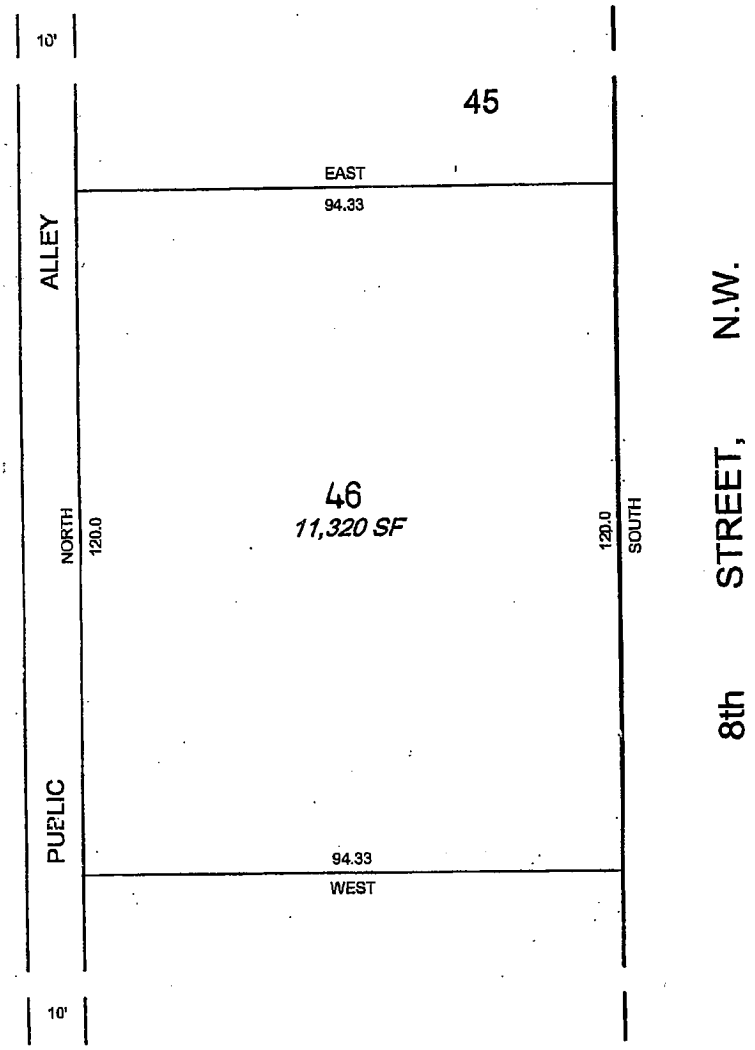
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 016702

CONFIDENTIAL

LA 801

SUBDIVISION
SQUARE 393



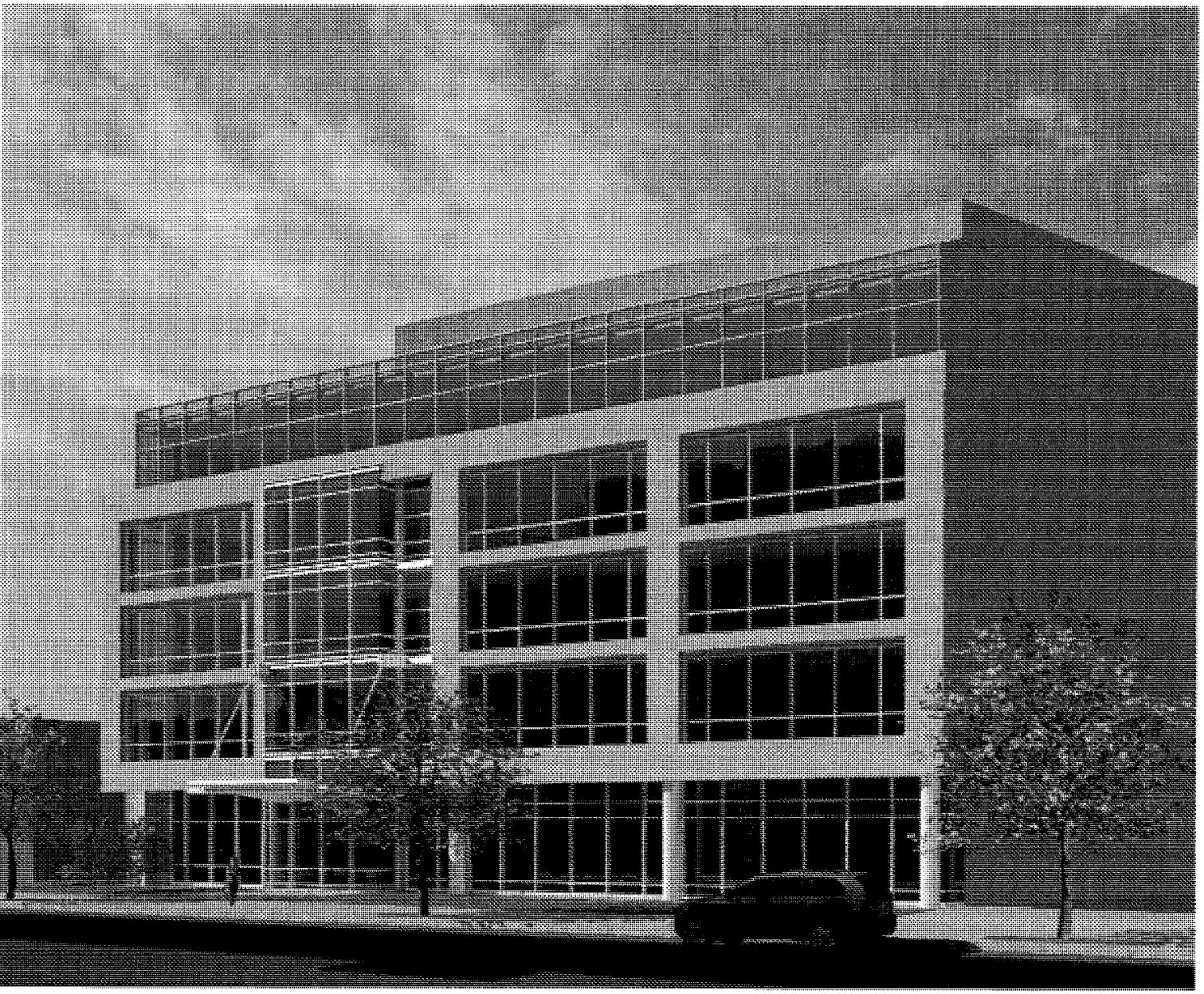
Metro Parcel
Metro Parcel
Metro Parcel
Google

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G
1			Year	1	2	3	4
2	**Effective Discount Rate:**	**14.87%**	Year Ending in August of...	2008	2009	2010	2011
3	Debt Rate	8%	Ground Lease Payments (as of Year End)	*Pre-Paid*	$ 150,000.00	$ 150,000.00	$ 150,000.00
4	Equity Rate	20%	Accumulated Toward Option	$ 100,000.00	$ 200,000.00	$ 300,000.00	$ 450,000.00
5			Option Price at Year End - 1 day	$ 4,875,000.00	$ 4,847,000.00	$ 4,820,080.00	$ 4,744,256.20
6			NPV in Aug 08 if Option Exercised this Year	$ 4,875,000.00	$3,803,857.05	$3,424,242.61	$3,067,984.19
7			(Assume rent paid at year start, option at year end)				
8			Ground Lease Assignment Fee (Paid Aug 2008)	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00
9			Effective Purchase Price	$ 8,375,000.00	$ 7,303,857.05	$ 6,924,242.61	$ 6,567,984.19
10			Potental Floor Area at 4.5 FAR (SF)	50940	50940	50940	50940
11			Effective Price per FAR-foot	$ 164.41	$ 143.38	$ 135.93	$ 128.94
12		2008 Value/FAR-ft					
13		$ 120.00	Property Market Value at Year End, starting at X/FAR-ft	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14			Net Land Equity at Assignment (Replaces Cash Equity)	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15			Percentage Land Value as Cash	57.26%	57.26%	57.26%	57.26%
16			Percentage Land Value as Debt (i.e., "free" equity)	42.74%	42.74%	42.74%	42.74%
17			Debt Rate x Debt Share of Land Equity	3.42%	3.42%	3.42%	3.42%
18			Equity Rate x Cash Share of Land Equity	11.45%	11.45%	11.45%	11.45%
19			Effective Discount Rate (average cost of capital)	14.87%	14.87%	14.87%	14.87%

FOIA CONFIDENTIAL TREATMENT REQUESTED

	H	I	J	K	L	M
1	5	6	7	8	9	10
2	2012	2013	2014	2015	2016	2017
3	$ 150,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00
4	$ 600,000.00	$ 800,000.00	$ 1,000,000.00	$ 1,200,000.00	$ 1,400,000.00	$ 1,600,000.00
5	$ 4,594,256.20	$ 4,394,256.20	$ 4,194,256.20	$ 3,994,256.20	$ 3,794,256.20	$ 3,594,256.20
6	$2,726,396.98	$2,441,975.74	$2,205,644.12	$2,009,717.67	$1,847,695.65	$1,714,083.29
7						
8	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00
9	$ 6,226,396.98	$ 5,941,975.74	$ 5,705,644.12	$ 5,509,717.67	$ 5,347,695.65	$ 5,214,083.29
10	50940	50940	50940	50940	50940	50940
11	$ 122.23	$ 116.65	$ 112.01	$ 108.16	$ 104.98	$ 102.36
12						
13	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15	57.26%	57.26%	57.26%	57.26%	57.26%	57.26%
16	42.74%	42.74%	42.74%	42.74%	42.74%	42.74%
17	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%
18	11.45%	11.45%	11.45%	11.45%	11.45%	11.45%
19	14.87%	14.87%	14.87%	14.87%	14.87%	14.87%



FOIA CONFIDENTIAL TREATMENT REQUESTED

1920 8th STREET NW
UNIT ANALYSIS
2/14/2006

FLOOR	FAR GSF	NON-FAR GSF	TOTAL GSF	INDOOR RESIDENTIAL GSF		UNIT TYPE / NET SELLABLE SQUARE FEET								
						Unit Number								
						1	2	3	4	5	6	7	8	9
P2	---	11320	11320	---										
P1	---	11320	11320	---										
CELLAR	---	7923	7923	7923	Type	2BR	1BR	1BR/Den	Eff	1 BR/Den	1BR/Den	1BR	1BR	---
					Indoor Area	1,032	785	843	408	841	829	733	707	---
					Outdoor Area	130	96	105	49	ma	---	---	---	---
					Total Area	1,162	881	948	457	841	829	733	707	---
1ST	8256	80	8336	8336	Type	1BR/Den	1BR	1BR	1BR/Den	Eff	1BR	1BR	1BR	1BR/ Den
					Indoor Area	880	733	785	843	401	628	829	722	829
					Outdoor Area	---	---	---	---	---	---	---	---	---
					Total Area	880	733	785	843	401	628	829	722	829
2ND	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
					Indoor Area	881	733	785	880	859	809	829	765	722
					Outdoor Area	48	48	48	48	48	51	---	---	---
					Total Area	929	781	833	928	907	860	829	765	722
3RD	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
					Indoor Area	881	733	785	880	859	809	829	765	722
					Outdoor Area	48	48	48	48	48	51	---	---	---
					Total Area	929	781	833	928	907	860	829	765	722
4TH	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
					Indoor Area	881	733	785	880	859	809	829	765	722
					Outdoor Area	48	48	48	48	48	51	---	---	---
					Total Area	929	781	833	928	907	860	829	765	722
5TH	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
					Indoor Area	881	733	785	880	859	809	829	765	722
					Outdoor Area	48	48	48	48	48	51	---	---	---
					Total Area	929	781	833	928	907	860	829	765	722
6TH	7086	428	7514	7216	Type	2BR/Den	2BR/Den	1BR	2BR/Den	2BR/Den	1BR	---	---	---
					Indoor Area	1,118	1,177	785	1,232	1,259	744	---	---	---
					Outdoor Area	28	96	48	48	51	---	---	---	---
					Total Area (6th)	1,146	1,273	833	1,280	1,310	744	---	---	---
PENTHOUSE	---	1958	1958	---	Indoor Area	215	326	296	224	252	173	---	---	---
					Outdoor Area	1041	549	373	866	1,000	790	---	---	---
					Total Area (Penthouse)	1,256	875	669	1,090	1,252	963	---	---	---

WMATA-INV 016711

FOIA CONFIDENTIAL TREATMENT REQUESTED

	P	Q	R	S	T	U	V	W	X	Y	Z
1											
2											
3											
4											
5		TOTAL INDOOR NSF	TOTAL OUTOOR NSF	TOTAL NSF	UNIT TYPE BREAKDOWN						
6											
7	10				Eff	1BR	1BR/Den	1BR/PH	2BR	2BR/Den/PH	TOTAL
8											
9											
10	---										
11	---	6,178									
12	---		380		1	3	3		1	---	8
13	---			6,558							
14											
15	---										
16		6,650									
17			---		1	5	3		---	---	9
18				6,650							
19											
20	1BR/Den										
21	865	8,128									
22	---		291		---	3	7		---	---	10
23	865			8,419							
24											
25	1BR/Den										
26	865	8,128									
27	---		291		---	3	7		---	---	10
28	865			8,419							
29											
30	1BR/Den										
31	865	8,128									
32	---		291		---	3	7		---	---	10
33	865			8,419							
34											
35	1BR/Den										
36	824	8,087									
37	39		330		---	3	7		---	---	10
38	863			8,417							
39											
40	---										
41	---	6,315									
42	---		271		---	---	---	2	---	4	6
43	---			6,586							
44	---	1,486									
45	---		4,619								
46	---			6,105							

WMATA-INV 016712

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
47						**Total Indoor Area (6th+PH)**	1333	1503	1081	1456	1511	917			
48						**Total Outdoor Area (6th+PH)**	1069	645	421	914	1051	790			
49						**Total Area (6th+PH)**	**2,402**	**2,148**	**1,502**	**2,370**	**2,562**	**1,707**			
50	**TOTAL**	**51,046**	**34,949**	**85,995**	**59,875**										
51															
52															
53															
54	REC. SPACE AT LOBBY =				823										
55	REC. SPACE AT 6TH FLOOR ROOF =				1721										
56	REC. SPACE AT MAIN ROOF =				0										
57	**TOTAL REC. SPACE**				**2544**										
58	RES. REC. SPACE REQ'D =				8981										
59	MAX. PENTHOUSE AREA =				4188.4										
60															
61															

WMATA-INV 016713

FOIA CONFIDENTIAL TREATMENT REQUESTED

	P	Q	R	S	T	U	V	W	X	Y	Z
47											
48											
49											
50		**53,100**	**6,473**	**59,573**	**2**	**20**	**34**	**2**	**1**	**4**	**63**
51					3.17%	31.75%	53.97%	3.17%	1.59%	6.35%	
52											
53											
54											
55											
56											
57											
58											
59											
60											
61											

WMATA-INV 016714

From: Steve Coniglio [sconiglio@landcappartners.com]
Sent: Monday, December 22, 2008 4:22:08 PM
To: Josh Adler
Subject: Read: 1920 8th St (U Street development site)

Your message

To: Steve Coniglio
Subject: 1920 8th St (U Street development site)
Sent: Mon, 22 Dec 2008 13:20:21 -0800

was read on Mon, 22 Dec 2008 13:22:08 -0800

From: Brad Voight - LA <brad@lakritzadler.com>
Sent: Tuesday, December 23, 2008 12:14 PM
To: 'Robb Lakritz' <robb@lakritzadler.com>; 'Josh Adler' <josh@lakritzadler.com>
Subject: Termination of Ground Lease for 1920 8th St NW

As part of updating the cash flow projections I've been reviewing the ground lease in the event it's terminated prior to the end of the first renewal period (current term). It appears that if we terminate the lease prior to the due date of the next property tax billing due date, we avoid payment of the taxes. I've not come across any clause stipulating proration of property taxes in the event of a mid-term lease termination.

That said, we should consider the affect of having our sub-tenant still in place in terms of the effective date of our terminating the lease. I have not reviewed the sub-lease for lease termination requirements.

Bradley M. Voight, CPA
Vice President - Finance & Accounting

LAKRITZ ADLER

LaKritz Adler Development LLC
4326 8th Street, NW
Washington, DC 20011
E-Mail: Brad@LaKritzAdler.com
Phone: 202-882-0808
Fax: 202-882-0809
Cell: 301-742-5789

From: Brad Voight - LA <brad@lakritzadler.com>
Sent: Tuesday, December 23, 2008 12:54 PM
To: 'Robb Lakritz' <robb@lakritzadler.com>; 'Josh Adler' <josh@lakritzadler.com>
Subject: FW: Termination of Ground Lease for 1920 8th St NW

Under Paragraph 17.1(c) (Defaults of Tenant) the lease states "In the event of any termination of this Lease, Tenant shall pay to Landlord all rent and all other sums required to be paid by Tenant, to and including such date of Termination...." This would probably cover the proration of property taxes. I will include a prorated amount in the cash flows assuming a February 1st termination.

Bradley M. Voight, CPA
Vice President - Finance & Accounting

LAKRITZ | ADLER

LaKritz Adler Development LLC
4326 8th Street, NW
Washington, DC 20011
E-Mail: Brad@LaKritzAdler.com
Phone: 202-882-0808
Fax: 202-882-0809
Cell: 301-742-5789

-----Original Message-----
From: Brad Voight - LA [mailto:brad@lakritzadler.com]
Sent: 12/23/2008 12:14 PM
To: 'Robb Lakritz'; 'Josh Adler'
Subject: Termination of Ground Lease for 1920 8th St NW

As part of updating the cash flow projections I've been reviewing the ground lease in the event it's terminated prior to the end of the first renewal period (current term). It appears that if we terminate the lease prior to the due date of the next property tax billing due date, we avoid payment of the taxes. I've not come across any clause stipulating proration of property taxes in the event of a mid-term lease termination.

That said, we should consider the affect of having our sub-tenant still in place in terms of the effective date of our terminating the lease. I have not reviewed the sub-lease for lease termination requirements.

Bradley M. Voight, CPA
Vice President - Finance & Accounting

LAKRITZ | ADLER

LaKritz Adler Development LLC
4326 8th Street, NW
Washington, DC 20011
E-Mail: Brad@LaKritzAdler.com
Phone: 202-882-0808
Fax: 202-882-0809
Cell: 301-742-5789

From: Josh Adler <josh@lakritzadler.com>
Sent: Tuesday, December 30, 2008 4:11 PM
To: 'Jair K. Lynch' <JKL@jairlynch.com>
Subject: 1920 8th Street

Jair,

Any interest in revisiting our 1920 8th Street deal? Your friends at Banneker are taking a very long time to get their Metro deal done – you might be in a good position to jointly develop with them or take over the whole project if you were to buy our option on the adjacent parcel – there's no way to build on the Metro parcel without our site.

Josh

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Jair K. Lynch <JKL@jairlynch.com>
Sent: Monday, January 5, 2009 6:49 PM
To: Josh Adler <josh@lakritzadler.com>
Cc: Anthony J. Startt <ajs@jairlynch.com>
Subject: RE: 1920 8th Street

I thought BV had until January to hit some sort of hurdle with WMATA?? Are looking to unload before or after that break point?

JAIR K. LYNCH, PRESIDENT & CEO

JAIR LYNCH
DEVELOPMENT PARTNERS

1508 U Street NW Washington, DC 20009 202.462.1092 T 202.462.1092 F
www.JAIRLYNCH.com

PEOPLE. PLACE. PROSPERITY.

[illegible]

PLEASE CONSIDER THE ENVIRONMENT BEFORE PRINTING THIS EMAIL

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, December 30, 2008 4:11 PM
To: Jair K. Lynch
Subject: 1920 8th Street

Jair,

Any interest in revisiting our 1920 8th Street deal? Your friends at Banneker are taking a very long time to get their Metro deal done – you might be in a good position to jointly develop with them or take over the whole project if you were to buy our option on the adjacent parcel – there's no way to build on the Metro parcel without our site.

Josh

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Monday, January 5, 2009 6:59 PM
To: 'Jair K. Lynch' <JKL@jairlynch.com>
Cc: 'Anthony J. Startt' <ajs@jairlynch.com>
Subject: RE: 1920 8th Street

BV literally disappeared many months ago with respect to our discussions with them -- I assume for the same reason that I have been hearing that they have not been able to proceed with Metro (no equity, no credit partners). However, I would assume that given the nature of these public deals, it will take much longer for Metro to rebid the deal and that they will give BV plenty of opportunities to renegotiate. We are not interested in hanging out for that, but you might be in a better position to do so -- you could also be the equity partner/lead developer that BV has been looking for, which could allow them to proceed with Metro. You know them a lot better than we do, so you might have some insight into that; surely they have approached you about this, since at one point they were claiming MP as their equity.

From: Jair K. Lynch [mailto:JKL@jairlynch.com]
Sent: Monday, January 05, 2009 6:49 PM
To: Josh Adler
Cc: Anthony J. Startt
Subject: RE: 1920 8th Street

I thought BV had until January to hit some sort of hurdle with WMATA?? Are looking to unload before or after that break point?

JAIR K. LYNCH, PRESIDENT & CEO

JAIR LYNCH
DEVELOPMENT PARTNERS

1506 U Street NW Washington, DC 20009 202.462.1002 T 202.462.1082 F
WWW.JAIRLYNCH.COM

PEOPLE. PLACE. PROSPERITY.

[illegible]

PLEASE CONSIDER THE ENVIRONMENT BEFORE PRINTING THIS EMAIL

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, December 30, 2008 4:11 PM
To: Jair K. Lynch
Subject: 1920 8th Street

Jair,

Any interest in revisiting our 1920 8th Street deal? Your friends at Banneker are taking a very long time to get their Metro deal done – you might be in a good position to jointly develop with them or take over the whole project if you were to buy our option on the adjacent parcel – there's no way to build on the Metro parcel without our site.

Josh

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, January 8, 2009 5:06 PM
To: 'Bank, Larry (DC)' <LBank@newmarkkf.com>
Subject: FW: 1920 8th St (U Street development site)
Attach: 1920 8th St NW Plat.pdf; Florida Ave Metro Sites w Metro Entrance.jpg; 1920 8th NPV.xls; 1920 8th street standalone rendering 12-17-07.jpg

---

Larry,

Attached is the plat and rendering for a by-right office building at 1920 8th Street, which could be a Results Gym in whole or in part. The current plans call for a 47,600 SF office building, five stories, thus a footprint of about 9,520 SF. We show about 26 parking spaces in a "tuckunder" type garage that would save a lot of construction cost versus doing a true underground garage, but both are options. Under Arts overlay guidelines, site allows up to potentially up to 4.5 FAR of commercial or 5.0 FAR of residential space, or 50,940 square feet, height limit 65' (of course, you could add additional non-FAR private penthouse space above 65', per Moderno) Zoning is C2B Arts Overlay. We have a source for the transferrable arts credits if needed. Lot is 11,320 SF.

Before this office plan, we had Eric Colbert do a residential plan for the site, and I've still got those conceptual plans and yields. Colbert was able to get about 63 units by-right with fairly large average sizes. We took the plan to the historic board, and they had no problem with full height and mass on the site.

I'm also attaching a Google map showing the immediate surrounding area. Our site is marked "8th Street Lot" and shaded. The adjacent Metro-owned lot to north is about 8,600 SF.

We will consider selling our ground lease for a one time payment. We're open to other proposals, but that would be our preference. There's an NPV calculation table attached that shows net value of ground lease today depending on assumption about current land value and holding time, but we're very flexible on this valuation – we'd like to make a deal happen on this site, one way or another. We'd also consider optioning our option at cost on a monthly basis until receiving a larger payment at a future settlement.

We've got a group looking at buying our ground lease to do a medical office building to serve Howard medical Center which is a block away.

Key Ground Lease Terms:

The property is a Delaware Limited Liability Company known as 1920 8th Street, LLC, which holds a ground lease and purchase option ("Ground Lease") to an approximately 11,320 square foot vacant lot known as Square 393, Lot 46, also known as 1916-1930 8th Street, NW, Washington, DC, zoned C-2-B Arts Overlay.

The Ground Lease contains the following essential terms:

- Medal, Inc., as Landlord and 1920 8th Street, LLC, as Tenant.
- Commences August 3, 2007, with a one year base term and nine one-year renewal options
- Ground rent of $225,000/year in the first year, $150,000/year for renewal terms 1-4, and $200,000/year for renewal terms 5-9.
- Purchase option exercisable at any time during base term and renewals. Exercise price of $4,800,000 in the base term, increasing by 1.5% in each of the first three renewal terms and then remaining fixed at $5,019,256.20 for the remainder of the renewal terms.
- $100,000 of ground rent, once paid, credited toward the purchase option in the base term and in each of the first two renewal terms, with 100% of ground rent paid following the second renewal term and in every renewal term thereafter credited toward the option price. Therefore the purchase option balance due at the end of the last renewal term (that is, on August 3, 2017) shall be $3,419,256.20.
- A one time fee of $175,000 payable to Landlord for resubordination of Landlord's fee interest in land to Tenant's permanent financing lender (if such lender is different from Tenant's construction lender), to be paid upon the sooner of: 1) resubordination of Landlord fee interest to new lender following substantial completion of project, or 2) upon exercise of purchase option.
- Landlord is obliged under the ground lease to subordinate its unencumbered fee interest in the Property to

Tenant's Construction Lender (and subsequent lenders), meaning that Tenant has full use of the land value of the Property as collateral to secure its construction financing.

- Lease is transferrable and assignable without consent of Landlord.

Please let me know of Results's interest at your earliest convenience.

Thanks,

Josh

LAKRITZ | ADLER

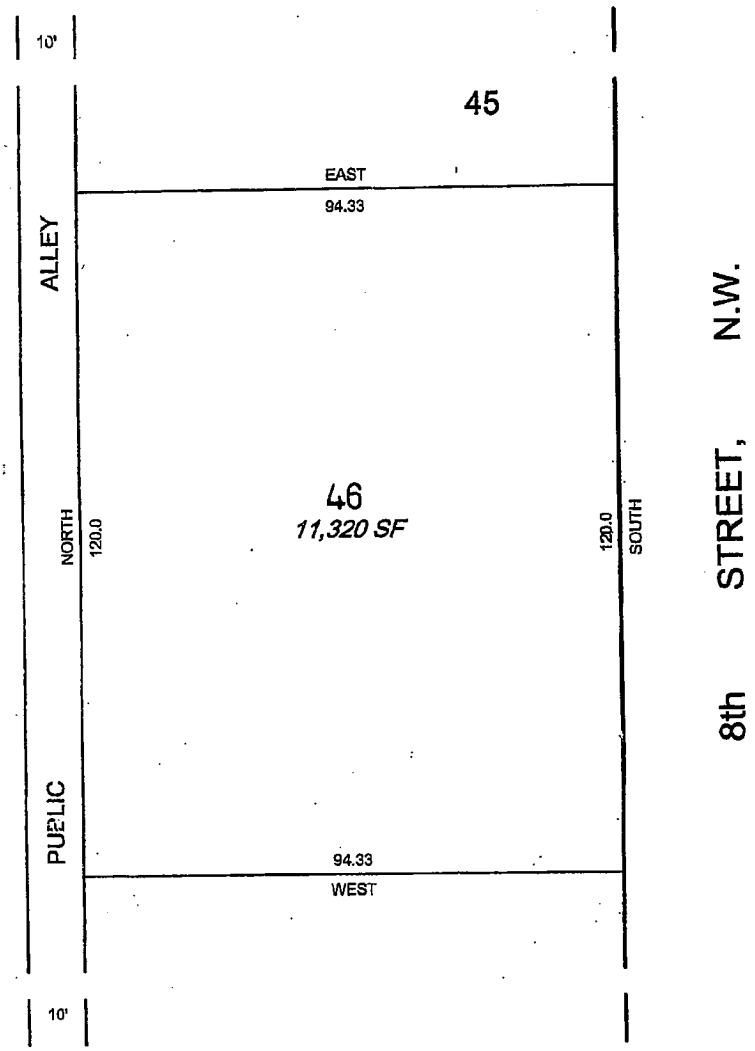
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 016732

CONFIDENTIAL

LA 819

SUBDIVISION
SQUARE 393



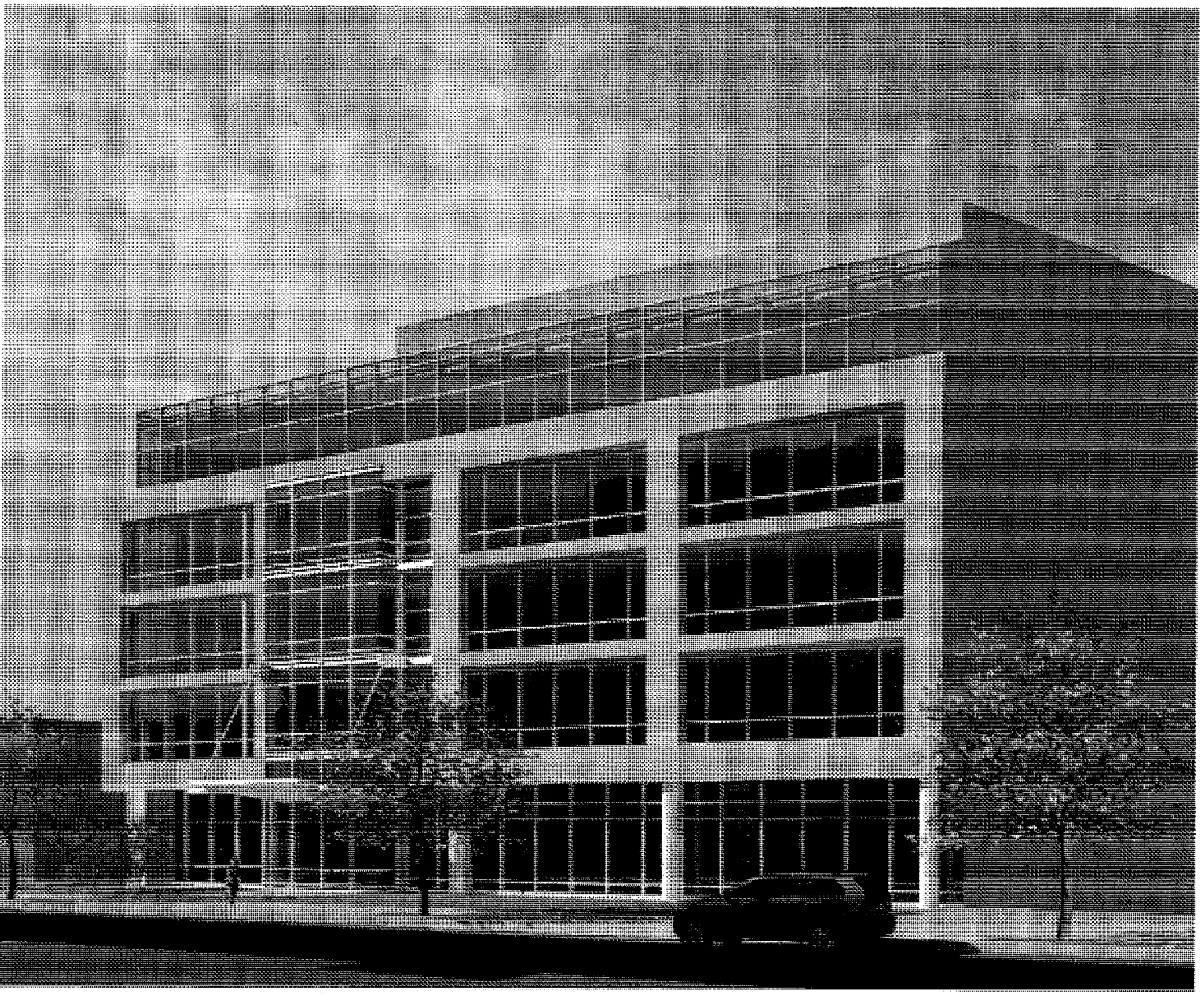
Metro Parcel 1
Metro Parcel 2
Metro Parcel 3
Metro Parcel 4
Metro Parcel 5
Metro Parcel 6
Metro Parcel 7
Metro Parcel 8
Metro Parcel 9
Metro Parcel 10
Metro Parcel 11
Metro Parcel 12
Metro Parcel 13
Metro Parcel 14
Metro Parcel 15
Metro Parcel 16
Metro Parcel 17
Metro Parcel 18
Metro Parcel 19
Metro Parcel 20
Metro Parcel 21
Metro Parcel 22
Metro Parcel 23
Metro Parcel 24
Metro Parcel 25
Metro Parcel 26
Metro Parcel 27
Metro Parcel 28
Metro Parcel 29
Metro Parcel 30
Metro Parcel 31
Metro Parcel 32
Metro Parcel 33
Metro Parcel 34
Metro Parcel 35
Metro Parcel 36
Metro Parcel 37
Metro Parcel 38
Metro Parcel 39
Metro Parcel 40
Metro Parcel 41
Metro Parcel 42
Metro Parcel 43
Metro Parcel 44
Metro Parcel 45
Metro Parcel 46
Metro Parcel 47
Metro Parcel 48
Metro Parcel 49
Metro Parcel 50
Metro Parcel 51
Metro Parcel 52
Metro Parcel 53
Metro Parcel 54
Metro Parcel 55
Metro Parcel 56
Metro Parcel 57
Metro Parcel 58
Metro Parcel 59
Metro Parcel 60
Metro Parcel 61
Metro Parcel 62
Metro Parcel 63
Metro Parcel 64
Metro Parcel 65
Metro Parcel 66
Metro Parcel 67
Metro Parcel 68
Metro Parcel 69
Metro Parcel 70
Metro Parcel 71
Metro Parcel 72
Metro Parcel 73
Metro Parcel 74
Metro Parcel 75
Metro Parcel 76
Metro Parcel 77
Metro Parcel 78
Metro Parcel 79
Metro Parcel 80
Metro Parcel 81
Metro Parcel 82
Metro Parcel 83
Metro Parcel 84
Metro Parcel 85
Metro Parcel 86
Metro Parcel 87
Metro Parcel 88
Metro Parcel 89
Metro Parcel 90
Metro Parcel 91
Metro Parcel 92
Metro Parcel 93
Metro Parcel 94
Metro Parcel 95
Metro Parcel 96
Metro Parcel 97
Metro Parcel 98
Metro Parcel 99
Metro Parcel 100
Google

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G
1			Year	1	2	3	4
2	**Effective Discount Rate:**	**14.87%**	Year Ending in August of...	2008	2009	2010	2011
3	Debt Rate	8%	Ground Lease Payments (as of Year End)	*Pre-Paid*	$ 150,000.00	$ 150,000.00	$ 150,000.00
4	Equity Rate	20%	Accumulated Toward Option	$ 100,000.00	$ 200,000.00	$ 300,000.00	$ 450,000.00
5			Option Price at Year End - 1 day	$ 4,875,000.00	$ 4,847,000.00	$ 4,820,080.00	$ 4,744,256.20
6			NPV in Aug 08 if Option Exercised this Year	$ 4,875,000.00	$3,803,857.05	$3,424,242.61	$3,067,984.19
7			(Assume rent paid at year start, option at year end)				
8			Ground Lease Assignment Fee (Paid Aug 2008)	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00
9			Effective Purchase Price	$ 8,375,000.00	$ 7,303,857.05	$ 6,924,242.61	$ 6,567,984.19
10			Potental Floor Area at 4.5 FAR (SF)	50940	50940	50940	50940
11			Effective Price per FAR-foot	$ 164.41	$ 143.38	$ 135.93	$ 128.94
12		2008 Value/FAR-ft					
13		$ 120.00	Property Market Value at Year End, starting at X/FAR-ft	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14			Net Land Equity at Assignment (Replaces Cash Equity)	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15			Percentage Land Value as Cash	57.26%	57.26%	57.26%	57.26%
16			Percentage Land Value as Debt (i.e., "free" equity)	42.74%	42.74%	42.74%	42.74%
17			Debt Rate x Debt Share of Land Equity	3.42%	3.42%	3.42%	3.42%
18			Equity Rate x Cash Share of Land Equity	11.45%	11.45%	11.45%	11.45%
19			Effective Discount Rate (average cost of capital)	14.87%	14.87%	14.87%	14.87%

FOIA CONFIDENTIAL TREATMENT REQUESTED

	H	I	J	K	L	M
1	5	6	7	8	9	10
2	2012	2013	2014	2015	2016	2017
3	$ 150,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00
4	$ 600,000.00	$ 800,000.00	$ 1,000,000.00	$ 1,200,000.00	$ 1,400,000.00	$ 1,600,000.00
5	$ 4,594,256.20	$ 4,394,256.20	$ 4,194,256.20	$ 3,994,256.20	$ 3,794,256.20	$ 3,594,256.20
6	$2,726,396.98	$2,441,975.74	$2,205,644.12	$2,009,717.67	$1,847,695.65	$1,714,083.29
7						
8	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	**$ 3,500,000.00**
9	$ 6,226,396.98	$ 5,941,975.74	$ 5,705,644.12	$ 5,509,717.67	$ 5,347,695.65	$ 5,214,083.29
10	50940	50940	50940	50940	50940	50940
11	$ 122.23	$ 116.65	$ 112.01	$ 108.16	$ 104.98	$ 102.36
12						
13	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15	57.26%	57.26%	57.26%	57.26%	57.26%	57.26%
16	42.74%	42.74%	42.74%	42.74%	42.74%	42.74%
17	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%
18	11.45%	11.45%	11.45%	11.45%	11.45%	11.45%
19	14.87%	14.87%	14.87%	14.87%	14.87%	14.87%



From: Bank, Larry [lbank@newmarkkf.com]
Sent: Friday, January 09, 2009 11:17:08 AM
To: Josh Adler
Subject: Read: 1920 8th St (U Street development site)

Your message

To: Bank, Larry
Cc:
Subject: FW: 1920 8th St (U Street development site)
Sent: Thu, 8 Jan 2009 17:05:53 -0500

was read on Fri, 9 Jan 2009 11:17:08 -0500

The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please contact the sender and delete the material from any computer.

From: Josh Adler <josh@lakritzadler.com>
Sent: Wednesday, January 14, 2009 2:25 PM
To: 'robb@lakritzadler.com'
Subject: 1920 8th Street Status DRAFT

DRAFT

Dear Abraham and Clay

Here is where we are on 1920 8th Street.

As we stated in an email to Abraham last October, there is no financing for new speculative construction in any location today, even prime downtown locations much stronger than 8th & Florida, and there probably will not be such financing available for several years. The recession and credit crisis is creating the prospect of a huge inventory of excess commercial (and residential) space flooding the market as foreclosing banks and bankrupt developers dump empty properties to investors at well below replacement cost. Newly constructed buildings will not be able to compete with existing buildings that have been purchased at half the cost of the new construction, and the few new tenants in the market – if there are any -- will go for the cheaper lease or purchase rates at the existing, post-liquidation buildings, rather than wait for new construction and pay full price.

Given the state of the leasing market today, it is improbable that we can find a substantial pre-lease tenant until some time well after the current recession ends, and even if we did, we would not be able to finance a building against their credit. The developer with the Dept. of Justice lease can't even get financing for his building downtown, nor can the developers of the new office building planned for the corner of Connecticut and K Street get financing today, even though the planned building is pre-leased to Arent, Fox, one of the largest law firms in the country, and the land is owned free and clear.

In essence, undeveloped land has no value today. There is only the prospect that it will have value again, perhaps 2 to 3 years from now, perhaps longer, depending on the depth and length of the current recession, real estate collapse and credit crisis. And investment in new development, if financing were available, would not make sense when the same cash and credit capacity can buy existing buildings with current cash flow, higher returns and much less risk out of foreclosures and bankruptcies.

Under these extreme circumstances, we just cannot justify continuing to pay over $13,000 per month to control empty and economically undevelopable land for an indeterminate time until it becomes feasible to develop again, especially when the option price is so far out of the current market value. It will be a long, long time before 1920 8th Street is worth $5 million again, or even $3 million (which was its market value one year ago – it would cost us close to $5 million to exercise our option today).

Of course, the prospect of writing off a half-million dollar investment in 1920 8th Street is also painful for us, which is why we proposed last fall that we would continue to pay property taxes on the property and accrue the ground lease payments. To protect our investment to date, and continue holding the property until such a time as development could make sense again, we're willing to do the following:

1) Reduce current ground lease payments to $3,000/month, accruing (not waiving) the balance of the ground lease payments.
2) Continue to pay property taxes
3) Accrued ground lease payments accrue interest at 6%

That's more income than Abraham will generate on the property from any other use (without building on it), and he doesn't lose any of the potential value of our deal, since we'll ultimately have to pay all the accruing ground lease moneys and exercise the purchase option if we want to make any return on our investment and not lose the money we've invested to date. Our incentive to execute continues to grow over time with our investment.

Sincerely,

Josh and Robb

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Wednesday, January 14, 2009 2:26 PM
To: 'Josh Adler' <josh@lakritzadler.com>
Subject: RE: 1920 8th Street Status DRAFT

Excellent.

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Wednesday, January 14, 2009 2:25 PM
To: robb@lakritzadler.com
Subject: 1920 8th Street Status DRAFT

DRAFT

Dear Abraham and Clay

Here is where we are on 1920 8th Street.

As we stated in an email to Abraham last October, there is no financing for new speculative construction in any location today, even prime downtown locations much stronger than 8th & Florida, and there probably will not be such financing available for several years. The recession and credit crisis is creating the prospect of a huge inventory of excess commercial (and residential) space flooding the market as foreclosing banks and bankrupt developers dump empty properties to investors at well below replacement cost. Newly constructed buildings will not be able to compete with existing buildings that have been purchased at half the cost of the new construction, and the few new tenants in the market – if there are any -- will go for the cheaper lease or purchase rates at the existing, post-liquidation buildings, rather than wait for new construction and pay full price.

Given the state of the leasing market today, it is improbable that we can find a substantial pre-lease tenant until some time well after the current recession ends, and even if we did, we would not be able to finance a building against their credit. The developer with the Dept. of Justice lease can't even get financing for his building downtown, nor can the developers of the new office building planned for the corner of Connecticut and K Street get financing today, even though the planned building is pre-leased to Arent, Fox, one of the largest law firms in the country, and the land is owned free and clear.

In essence, undeveloped land has no value today. There is only the prospect that it will have value again, perhaps 2 to 3 years from now, perhaps longer, depending on the depth and length of the current recession, real estate collapse and credit crisis. And investment in new development, if financing were available, would not make sense when the same cash and credit capacity can buy existing buildings with current cash flow, higher returns and much less risk out of foreclosures and bankruptcies.

Under these extreme circumstances, we just cannot justify continuing to pay over $13,000 per month to control empty and economically undevelopable land for an indeterminate time until it becomes feasible to develop again, especially when the option price is so far out of the current market value. It will be a long, long time before 1920 8th Street is worth $5 million again, or even $3 million (which was its market value one year ago – it would cost us close to $5 million to exercise our option today).

Of course, the prospect of writing off a half-million dollar investment in 1920 8th Street is also painful for us, which is why we proposed last fall that we would continue to pay property taxes on the property and accrue the ground lease payments. To protect our investment to date, and continue holding the property until such a time as development could make sense again, we're willing to do the following:

1) Reduce current ground lease payments to $3,000/month, accruing (not waiving) the balance of the ground lease payments.
2) Continue to pay property taxes
3) Accrued ground lease payments accrue interest at 6%

That's more income than Abraham will generate on the property from any other use (without building on it), and he doesn't lose any of the potential value of our deal, since we'll ultimately have to pay all the accruing ground lease moneys and exercise the purchase option if we want to make any return on our investment and not lose the money we've invested to date. Our incentive to execute continues to grow over time with our investment.

Sincerely,

Josh and Robb

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Wednesday, January 14, 2009 3:17 PM
To: 'Clay Chavers' <chavlawfirm@gmail.com>; 'amedhane@comcast.net'
Cc: 'robb@lakritzadler.com'; 'curtis.sano@hklaw.com'
Subject: 1920 8th Street Status

Dear Abraham and Clay,

Here is where we are on 1920 8th Street.

As we stated in an email to Abraham last October, there is no financing for new speculative construction in any location today, even prime downtown locations much stronger than 8th & Florida, and there probably will not be such financing available for several years. The recession and credit crisis is creating the prospect of a huge inventory of excess commercial (and residential) space flooding the market as foreclosing banks and bankrupt developers dump empty properties to investors at well below replacement cost. Newly constructed buildings will not be able to compete with existing buildings that have been purchased at half the cost of the new construction, and the few new tenants in the market – if there are any -- will go for the cheaper lease or purchase rates at the existing, post-liquidation buildings, rather than wait for new construction and pay full price.

Given the state of the leasing market today, it is improbable that we can find a substantial pre-lease tenant until some time well after the current recession ends, and even if we did, we would not be able to finance a building against their credit. The developer with the Dept. of Justice lease can't even get financing for his building downtown, nor can the developers of the new office building planned for the corner of Connecticut and K Street get financing today, even though the planned building is pre-leased to Arent, Fox, one of the largest law firms in the country, and the land is owned free and clear.

In essence, undeveloped land has no value today. There is only the prospect that it will have value again, perhaps 2 to 3 years from now, perhaps longer, depending on the depth and length of the current recession, real estate collapse and credit crisis. And investment in new development, if financing were available, would not make sense when the same cash and credit capacity can buy existing buildings with current cash flow, higher returns and much less risk out of foreclosures and bankruptcies.

Under these extreme circumstances, we just cannot justify continuing to pay over $13,000 per month to control empty and economically undevelopable land for an indeterminate time until it becomes feasible to develop again, especially when the option price is so far out of the current market value. It will be a long, long time before 1920 8th Street is worth $5 million again, or even $3 million (which was its market value one year ago – it would cost us close to $5 million to exercise our option today).

Of course, the prospect of writing off a half-million dollar investment in 1920 8th Street is also painful for us, which is why we proposed last fall that we would continue to pay property taxes on the property and accrue the ground lease payments. To protect our investment to date, and continue holding the property until such a time as development could make sense again, we're willing to do the following:

1) Reduce current ground lease payments to $3,000/month, accruing (not waiving) the balance of the ground lease payments.
2) Continue to pay property taxes
3) Accrued ground lease payments accrue interest at 6%

That's more income than Abraham will generate on the property from any other use (without building on it), and he doesn't lose any of the potential value of our deal, since we'll ultimately have to pay all the accruing ground lease moneys and exercise the purchase option if we want to make any return on our investment and not lose the money we've invested to date. Our incentive to execute continues to grow over time with our investment.

Sincerely,

Josh and Robb

LAKRITZ | ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: chavlawfirm@gmail.com
Sent: Wednesday, January 14, 2009 3:19 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: Delivered: 1920 8th Street Status
Attach: details.txt

Your message was delivered to the recipient.

Original-Message-ID:2762
Final-Recipient:chavlawfirm@gmail.com
Action:Delivered

From: robb@lakritzadler.com
Sent: Wednesday, January 14, 2009 3:20 PM
To: Mr. Josh Adler <josh@lakritzadler.com>
Subject: Delivered: 1920 8th Street Status
Attach: details.txt

Your message was delivered to the recipient.

Original-Message-ID:7272
Final-Recipient:robb@lakritzadler.com
Action:Delivered

From: Robb LaKritz [robb@lakritzadler.com]
Sent: Wednesday, January 14, 2009 3:30:56 PM
To: Josh Adler
Subject: Read: 1920 8th Street Status

Your message

To: 'Clay Chavers'; amedhane@comcast.net
Cc: robb@lakritzadler.com; curtis.sano@hklaw.com
Subject: 1920 8th Street Status
Sent: 1/14/2009 3:17 PM

was read on 1/14/2009 3:30 PM.

From: Clay Chavers <chavlawfirm@gmail.com>
Sent: Wednesday, January 14, 2009 4:11 PM
To: Josh Adler <josh@lakritzadler.com>; amedhane@comcast.net
Cc: robb@lakritzadler.com; curtis.sano@hklaw.com
Subject: RE: 1920 8th Street Status

Hello Josh and Robb,
On behalf of my clients and me, we do wish you a Happy New Year. 2009 and thereafter has to be better than 2000-2008. We do understand your concerns and we will take into consideration ways to help, if at all possible. Please understand that we will not take the risk of you the developer as we are the landlord and we have now a long history of needing to be flexible in dealing with you.
Firstly, you will need to be current immediately to avoid default penalties as prescribed in our existing agreement. Thereafter, we will meet with you to see what can be put in place to address your situation. As a condition president, you will need to agree to pay the legal fees of my client pertaining to this matter. An advance payment of $5,000 which will be a partial payment will be paid to me from the outset. I know you will appreciate that the Medhane's are not incline to incur expenses to assist you.
Please let me know when, you can proceed to satisfy these conditions and then give me your schedule for meeting.
I look forward to seeing you.
My best.

-----Original Message-----
From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Wednesday, January 14, 2009 3:17 PM
To: 'Clay Chavers'; amedhane@comcast.net
Cc: robb@lakritzadler.com; curtis.sano@hklaw.com
Subject: 1920 8th Street Status

Dear Abraham and Clay,

Here is where we are on 1920 8th Street.

As we stated in an email to Abraham last October, there is no financing for new speculative construction in any location today, even prime downtown locations much stronger than 8th & Florida, and there probably will not be such financing available for several years. The recession and credit crisis is creating the prospect of a huge inventory of excess commercial (and residential) space flooding the market as foreclosing banks and bankrupt developers dump empty properties to investors at well below replacement cost. Newly constructed buildings will not be able to compete with existing buildings that have been purchased at half the cost of the new construction, and the few new tenants in the market – if there are any – will go for the cheaper lease or purchase rates at the existing, post-liquidation buildings, rather than wait for new construction and pay full price.

Given the state of the leasing market today, it is improbable that we can find a substantial pre-lease tenant until some time well after the current recession ends, and even if we did, we would not be able to finance a building against their credit. The developer with the Dept. of Justice lease can't even get financing for his building downtown, nor can the developers of the new office building planned for the corner of Connecticut and K Street get financing today, even though the planned building is pre-leased to Arent, Fox, one of the largest law firms in the country, and the land is owned free and clear.

In essence, undeveloped land has no value today. There is only the prospect that it will have value again, perhaps 2 to 3 years from now, perhaps longer, depending on the depth and length of the current recession, real estate collapse and credit crisis. And investment in new development, if financing were available, would not make sense when the same cash and credit capacity can buy existing buildings with current cash flow, higher returns and much less risk out of foreclosures and bankruptcies.

Under these extreme circumstances, we just cannot justify continuing to pay over $13,000 per month to control empty and economically undevelopable land for an indeterminate time until it becomes feasible to develop again, especially when the option price is so far out of the current market value. It will be a long, long time before 1920 8th Street is worth $5 million again, or even $3 million (which was its market value one year ago – it would cost us close to $5 million to exercise our option today).

Of course, the prospect of writing off a half-million dollar investment in 1920 8th Street is also painful for us, which is why we proposed last fall that we would continue to pay property taxes on the property and accrue the ground lease payments. To protect our investment to date, and continue holding the property until such a time as development could make sense again, we're willing to do the following:

1) Reduce current ground lease payments to $3,000/month, accruing (not waiving) the balance of the ground lease payments.
2) Continue to pay property taxes
3) Accrued ground lease payments accrue interest at 6%

That's more income than Abraham will generate on the property from any other use (without building on it), and he doesn't lose any of the potential value of our deal, since we'll ultimately have to pay all the accruing ground lease moneys and exercise the purchase option if we want to make any return on our investment and not lose the money we've invested to date. Our incentive to execute continues to grow over time with our investment.

Sincerely,

Josh and Robb

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Wednesday, January 14, 2009 4:33 PM
To: 'Clay Chavers' <chavlawfirm@gmail.com>; 'amedhane@comcast.net'
Cc: 'robb@lakritzadler.com'; 'curtis.sano@hklaw.com'
Bcc: 'brad@lakritzadler.com'
Subject: RE: 1920 8th Street Status

Hi Clay,

I'm sorry, but we cannot put any more money into this property under the current terms. We've lost enough already. We understand that if we do not cure within 15 days of your written notice under the terms of the Ground Lease, 1920 8th Street LLC will be in default. If your client wants to accept our proposal below, or suggest an alternative that he devises at his time and expense, then we can proceed at our own respective expenses.

Thank you,

Josh and Robb

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Wednesday, January 14, 2009 4:11 PM
To: Josh Adler; amedhane@comcast.net
Cc: robb@lakritzadler.com; curtis.sano@hklaw.com
Subject: RE: 1920 8th Street Status

Hello Josh and Robb,
On behalf of my clients and me, we do wish you a Happy New Year. 2009 and thereafter has to be better than 2000-2008. We do understand your concerns and we will take into consideration ways to help, if at all possible. Please understand that we will not take the risk of you the developer as we are the landlord and we have now a long history of needing to be flexible in dealing with you.
Firstly, you will need to be current immediately to avoid default penalties as prescribed in our existing agreement. Thereafter, we will meet with you to see what can be put in place to address your situation. As a condition president, you will need to agree to pay the legal fees of my client pertaining to this matter. An advance payment of $5,000 which will be a partial payment will be paid to me from the outset. I know you will appreciate that the Medhane's are not incline to incur expenses to assist you.
Please let me know when, you can proceed to satisfy these conditions and then give me your schedule for meeting.
I look forward to seeing you.
My best.

> -----Original Message-----
> **From:** Josh Adler [mailto:josh@lakritzadler.com]
> **Sent:** Wednesday, January 14, 2009 3:17 PM
> **To:** 'Clay Chavers'; amedhane@comcast.net
> **Cc:** robb@lakritzadler.com; curtis.sano@hklaw.com
> **Subject:** 1920 8th Street Status
>
> Dear Abraham and Clay,
>
> Here is where we are on 1920 8th Street.
>
> As we stated in an email to Abraham last October, there is no financing for new speculative construction in any location today, even prime downtown locations much stronger than 8th & Florida, and there probably will not be such financing available for several years. The recession and credit crisis is creating the prospect of a huge inventory of excess commercial (and residential) space flooding the market as foreclosing banks and bankrupt developers dump empty properties to investors at well below replacement cost. Newly constructed buildings will

not be able to compete with existing buildings that have been purchased at half the cost of the new construction, and the few new tenants in the market – if there are any – will go for the cheaper lease or purchase rates at the existing, post-liquidation buildings, rather than wait for new construction and pay full price.

Given the state of the leasing market today, it is improbable that we can find a substantial pre-lease tenant until some time well after the current recession ends, and even if we did, we would not be able to finance a building against their credit. The developer with the Dept. of Justice lease can't even get financing for his building downtown, nor can the developers of the new office building planned for the corner of Connecticut and K Street get financing today, even though the planned building is pre-leased to Arent, Fox, one of the largest law firms in the country, and the land is owned free and clear.

In essence, undeveloped land has no value today. There is only the prospect that it will have value again, perhaps 2 to 3 years from now, perhaps longer, depending on the depth and length of the current recession, real estate collapse and credit crisis. And investment in new development, if financing were available, would not make sense when the same cash and credit capacity can buy existing buildings with current cash flow, higher returns and much less risk out of foreclosures and bankruptcies.

Under these extreme circumstances, we just cannot justify continuing to pay over $13,000 per month to control empty and economically undevelopable land for an indeterminate time until it becomes feasible to develop again, especially when the option price is so far out of the current market value. It will be a long, long time before 1920 8th Street is worth $5 million again, or even $3 million (which was its market value one year ago – it would cost us close to $5 million to exercise our option today).

Of course, the prospect of writing off a half-million dollar investment in 1920 8th Street is also painful for us, which is why we proposed last fall that we would continue to pay property taxes on the property and accrue the ground lease payments. To protect our investment to date, and continue holding the property until such a time as development could make sense again, we're willing to do the following:

1) Reduce current ground lease payments to $3,000/month, accruing (not waiving) the balance of the ground lease payments.
2) Continue to pay property taxes
3) Accrued ground lease payments accrue interest at 6%

That's more income than Abraham will generate on the property from any other use (without building on it), and he doesn't lose any of the potential value of our deal, since we'll ultimately have to pay all the accruing ground lease moneys and exercise the purchase option if we want to make any return on our investment and not lose the money we've invested to date. Our incentive to execute continues to grow over time with our investment.

Sincerely,

Josh and Robb

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Clay Chavers <chavlawfirm@gmail.com>
Sent: Wednesday, January 14, 2009 4:46 PM
To: Josh Adler <josh@lakritzadler.com>; amedhane@comcast.net
Cc: robb@lakritzadler.com; curtis.sano@hklaw.com
Subject: RE: 1920 8th Street Status

Hello Josh and Robb,
Your position is an absolute non-starter.

-----Original Message-----
From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Wednesday, January 14, 2009 4:33 PM
To: 'Clay Chavers'; amedhane@comcast.net
Cc: robb@lakritzadler.com; curtis.sano@hklaw.com
Subject: RE: 1920 8th Street Status

Hi Clay,

I'm sorry, but we cannot put any more money into this property under the current terms. We've lost enough already. We understand that if we do not cure within 15 days of your written notice under the terms of the Ground Lease, 1920 8th Street LLC will be in default. If your client wants to accept our proposal below, or suggest an alternative that he devises at his time and expense, then we can proceed at our own respective expenses.

Thank you,

Josh and Robb

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Wednesday, January 14, 2009 4:11 PM
To: Josh Adler; amedhane@comcast.net
Cc: robb@lakritzadler.com; curtis.sano@hklaw.com
Subject: RE: 1920 8th Street Status

Hello Josh and Robb,
On behalf of my clients and me, we do wish you a Happy New Year. 2009 and thereafter has to be better than 2000-2008.
We do understand your concerns and we will take into consideration ways to help, if at all possible. Please understand that we will not take the risk of you the developer as we are the landlord and we have now a long history of needing to be flexible in dealing with you.
Firstly, you will need to be current immediately to avoid default penalties as prescribed in our existing agreement. Thereafter, we will meet with you to see what can be put in place to address your situation. As a condition president, you will need to agree to pay the legal fees of my client pertaining to this matter. An advance payment of $5,000 which will be a partial payment will be paid to me from the outset. I know you will appreciate that the Medhane's are not incline to incur expenses to assist you.
Please let me know when, you can proceed to satisfy these conditions and then give me your schedule for meeting.
I look forward to seeing you.
My best.

-----Original Message-----
From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Wednesday, January 14, 2009 3:17 PM
To: 'Clay Chavers'; amedhane@comcast.net
Cc: robb@lakritzadler.com; curtis.sano@hklaw.com

Subject: 1920 8th Street Status

Dear Abraham and Clay,

Here is where we are on 1920 8th Street.

As we stated in an email to Abraham last October, there is no financing for new speculative construction in any location today, even prime downtown locations much stronger than 8th & Florida, and there probably will not be such financing available for several years. The recession and credit crisis is creating the prospect of a huge inventory of excess commercial (and residential) space flooding the market as foreclosing banks and bankrupt developers dump empty properties to investors at well below replacement cost. Newly constructed buildings will not be able to compete with existing buildings that have been purchased at half the cost of the new construction, and the few new tenants in the market – if there are any -- will go for the cheaper lease or purchase rates at the existing, post-liquidation buildings, rather than wait for new construction and pay full price.

Given the state of the leasing market today, it is improbable that we can find a substantial pre-lease tenant until some time well after the current recession ends, and even if we did, we would not be able to finance a building against their credit. The developer with the Dept. of Justice lease can't even get financing for his building downtown, nor can the developers of the new office building planned for the corner of Connecticut and K Street get financing today, even though the planned building is pre-leased to Arent, Fox, one of the largest law firms in the country, and the land is owned free and clear.

In essence, undeveloped land has no value today. There is only the prospect that it will have value again, perhaps 2 to 3 years from now, perhaps longer, depending on the depth and length of the current recession, real estate collapse and credit crisis. And investment in new development, if financing were available, would not make sense when the same cash and credit capacity can buy existing buildings with current cash flow, higher returns and much less risk out of foreclosures and bankruptcies.

Under these extreme circumstances, we just cannot justify continuing to pay over $13,000 per month to control empty and economically undevelopable land for an indeterminate time until it becomes feasible to develop again, especially when the option price is so far out of the current market value. It will be a long, long time before 1920 8th Street is worth $5 million again, or even $3 million (which was its market value one year ago – it would cost us close to $5 million to exercise our option today).

Of course, the prospect of writing off a half-million dollar investment in 1920 8th Street is also painful for us, which is why we proposed last fall that we would continue to pay property taxes on the property and accrue the ground lease payments. To protect our investment to date, and continue holding the property until such a time as development could make sense again, we're willing to do the following:

1) Reduce current ground lease payments to $3,000/month, accruing (not waiving) the balance of the ground lease payments.
2) Continue to pay property taxes
3) Accrued ground lease payments accrue interest at 6%

That's more income than Abraham will generate on the property from any other use (without building on it), and he doesn't lose any of the potential value of our deal, since we'll ultimately have to pay all the accruing ground lease moneys and exercise the purchase option if we want to make any return on our investment and not lose the money we've invested to date. Our incentive to execute continues to grow over time with our investment.

Sincerely,

Josh and Robb

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: chavlawfirm@gmail.com
Sent: Thursday, January 15, 2009 1:52 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: Read: 1920 8th Street Status
Attach: details.txt

Your message was read by the recipient.

Original-Message-ID:2762
Final-Recipient:chavlawfirm@gmail.com
Action:Read

From: Bank, Larry <lbank@newmarkkf.com>
Sent: Thursday, January 22, 2009 10:45 AM
To: Josh Adler <josh@lakritzadler.com>
Subject: RE: Results

I think you spoke with Steve C. and we are discussing your last conversation with him tomorrow at our meeting. As for their sincerity it is genuine, Deals often don't get done.

Laurence Bank
Managing Principal
Newmark Knight Frank
T 202.292.0100
C 202.557.5555
lbank@newmarkkf.com

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Wednesday, January 21, 2009 4:46 PM
To: Bank, Larry
Subject: Results

Larry,

Any feedback from Results on 1920 8th Street? We'd some indication of interest by the end of this week, if they are serious.

Incidentally, when I looked up your email address just now, the first email to pop up was a long and detailed answer to an inquiry you made for Results at our 12th Street site – from mid-2006. That building has now been built and finished. So you might say we're a bit skeptical about their motivation (or realism?) about staying somewhere on U Street. It will take them at least 24 months to permit and build a new building for themselves, and that would be a risky rush job – 36 months would be safer. I hope they understand that timing.

Josh

The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please contact the sender and delete the material from any computer.

From: curtis.sano@hklaw.com
Sent: Monday, January 26, 2009 12:15 PM
To: chavlawfirm@gmail.com
Cc: josh@lakritzadler.com; robb@lakritzadler.com
Subject: 1920 8th Street

Clay, Josh will give you a call this afternoon. 410-531-6099, right?

Curtis L. Sano
Holland & Knight LLP
2099 Pennsylvania Avenue, N.W., Suite 100
Washington, D.C. 20006-6801
Direct: 202-862-5980
Main: 202-955-3000
Fax: 202-955-5564
Email: curtis.sano@hklaw.com

Holland+Knight

This email is intended solely for the use of the individual to whom it is addressed and may contain information that is privileged, confidential or otherwise exempt from disclosure under applicable law. If the reader of this email is not the intended recipient or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone and return the original message to us at the listed email address. Thank You.

From: Clay Chavers <chavlawfirm@gmail.com>
Sent: Monday, January 26, 2009 1:24 PM
To: curtis.sano@hklaw.com
Cc: josh@lakritzadler.com; robb@lakritzadler.com; Aberham & Fattaneh Medhane <amedhane@comcast.net>
Subject: RE: 1920 8th Street

It needs to be soon as I am off to meet with Medhane and leave at about 1:30 as I'll be seeing him at 2pm. If he misses me at my MD office number-531-6099 I'll have my cell with me at 310-704-1776.
Thanks.

-----Original Message-----
From: curtis.sano@hklaw.com [mailto:curtis.sano@hklaw.com]
Sent: Monday, January 26, 2009 12:15 PM
To: chavlawfirm@gmail.com
Cc: josh@lakritzadler.com; robb@lakritzadler.com
Subject: 1920 8th Street

Clay, Josh will give you a call this afternoon. 410-531-6099, right?

Curtis L. Sano
Holland & Knight LLP
2099 Pennsylvania Avenue, N.W., Suite 100
Washington, D.C. 20006-6801
Direct: 202-862-5980
Main: 202-955-3000
Fax: 202-955-5564
Email: curtis.sano@hklaw.com

Holland+Knight

This email is intended solely for the use of the individual to whom it is addressed and may contain information that is privileged, confidential or otherwise exempt from disclosure under applicable law. If the reader of this email is not the intended recipient or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone and return the original message to us at the listed email address. Thank You.

From: Josh Adler <josh@lakritzadler.com>
Sent: Monday, January 26, 2009 5:45 PM
To: 'Wayne Dickson' <wayne@blakedickson.com>; 'robb@lakritzadler.com'
Cc: 'Gil Blankespoor' <gblankespoor@msn.com>; 'Jennifer Felix' <jenncfelix@hotmail.com>
Subject: RE: Listing Agreement

Wayne,

We have not finished a detailed review of your proposed listing agreement yet. Typically we reject brokerage terms that include any payments of lease commission prior to our receipt of initial rent payments, sale commission more than 5% co-op and 3% direct on commercial properties, and termination periods of longer than 30 day notice. These things are always in the initial listing agreements, and they always get taken out.

Provided that we terminate KLNB this week, there would be a 30 day notice period for them, but I assume we could get you started right away.

Also, we are very, very intrigued by your potential tenant/buyer for our land option/ground lease at 1920 8th Street, the 8th & U/Florida lot where we can build up to 50,000 s.f. of new office, retail or residential. We can build-to-suit for sale or lease, or just sell them our option and let them build with or without us as the development manager. Can we do some kind of limited agreement with you (not a general exclusive) so you can put that site in front of them right a way and get some feedback ASAP? There is not currently any broker representing the site, but I do not think we are ready to commit to an exclusive listing there as there are a wide range of potential development options.

I will forward you more detail on 1920 8th Street now.

Thanks,

Josh

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Friday, January 23, 2009 6:16 PM
To: josh@lakritzadler.com; robb@lakritzadler.com
Cc: Gil Blankespoor; Jennifer Felix
Subject: Listing Agreement

Josh & Robb,
Here is our standard listing agreement. We understand your primary intent is to sell the retail condos; this document addresses that.
Jennifer and I look forward to working with you. I assure you our best and most energetic efforts.

From: Josh Adler <josh@lakritzadler.com>
Sent: Monday, January 26, 2009 5:52 PM
To: 'Wayne Dickson' <wayne@blakedickson.com>
Subject: FW: 1920 8th St (U Street development site)
Attach: 1920 8th St NW Plat.pdf; Florida Ave Metro Sites w Metro Entrance.jpg; 1920 8th NPV.xls; 1920 8th street standalone rendering 12-17-07.jpg

---

Wayne,

Attached is the plat and rendering for a by-right office/retail building at 1920 8th Street. The current plans call for a 47,600 SF office building, five stories, thus a footprint of about 9,520 SF. We show about 26 parking spaces in a "tuckunder" type garage that would save a lot of construction cost versus doing a true underground garage, but both are options. Under Arts overlay guidelines, site allows up to 4.5 FAR of commercial or 5.0 FAR of residential space, or 50,940 square feet, height limit 65' (of course, you could add additional non-FAR private penthouse space above 65', per Moderno) Zoning is C2B Arts Overlay. We have a source for the transferrable arts credits if needed. Lot is 11,320 SF.

I'm also attaching a Google map showing the immediate surrounding area. Our site is marked "8th Street Lot" and shaded. The adjacent Metro-owned lot to north is about 8,600 SF.

We will consider selling our ground lease for a one time payment. We're open to other proposals, but that would be our preference. We can also do build-to-suit for lease or sale, provided the tenant or buyer is creditworthy for a construction and permanent lender. There's an NPV calculation table attached that shows net value of ground lease today depending on assumption about current land value and holding time, but we're very flexible on this valuation – we'd like to make a deal happen on this site, one way or another.

Key Ground Lease Terms:

The property is a Delaware Limited Liability Company known as 1920 8th Street, LLC, which holds a ground lease and purchase option ("Ground Lease") to an approximately 11,320 square foot vacant lot known as Square 393, Lot 46, also known as 1916-1930 8th Street, NW, Washington, DC, zoned C-2-B Arts Overlay.

The Ground Lease contains the following essential terms:

- Medal, Inc., as Landlord and 1920 8th Street, LLC, as Tenant.
- Commences August 3, 2007, with a one year base term and nine one-year renewal options
- Ground rent of $225,000/year in the first year, $150,000/year for renewal terms 1-4, and $200,000/year for renewal terms 5-9.
- Purchase option exercisable at any time during base term and renewals. Exercise price of $4,800,000 in the base term, increasing by 1.5% in each of the first three renewal terms and then remaining fixed at $5,019,256.20 for the remainder of the renewal terms.
- $100,000 of ground rent, once paid, credited toward the purchase option in the base term and in each of the first two renewal terms, with 100% of ground rent paid following the second renewal term and in every renewal term thereafter credited toward the option price. Therefore the purchase option balance due at the end of the last renewal term (that is, on August 3, 2017) shall be $3,419,256.20.
- A one time fee of $175,000 payable to Landlord for resubordination of Landlord's fee interest in land to Tenant's permanent financing lender (if such lender is different from Tenant's construction lender), to be paid upon the sooner of: 1) resubordination of Landlord fee interest to new lender following substantial completion of project, or 2) upon exercise of purchase option.
- Landlord is obliged under the ground lease to subordinate its unencumbered fee interest in the Property to Tenant's Construction Lender (and subsequent lenders), meaning that Tenant has full use of the land value of the Property as collateral to secure its construction financing.
- Lease is transferrable and assignable without consent of Landlord.

I know these terms looked complicated, and they are, but they are very favorable to a buyer or developer. I'm happy to explain them in depth to anyone with interest in the site.

Thanks,

Josh

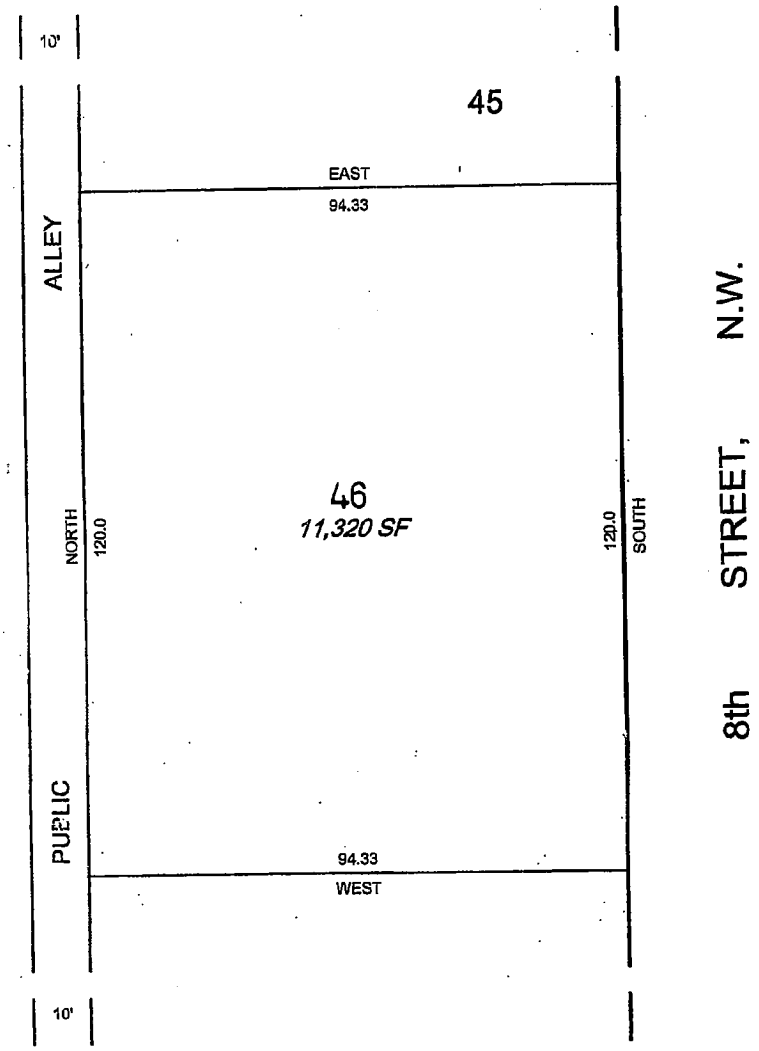
LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 016784

CONFIDENTIAL
LA 848

SUBDIVISION
SQUARE 393



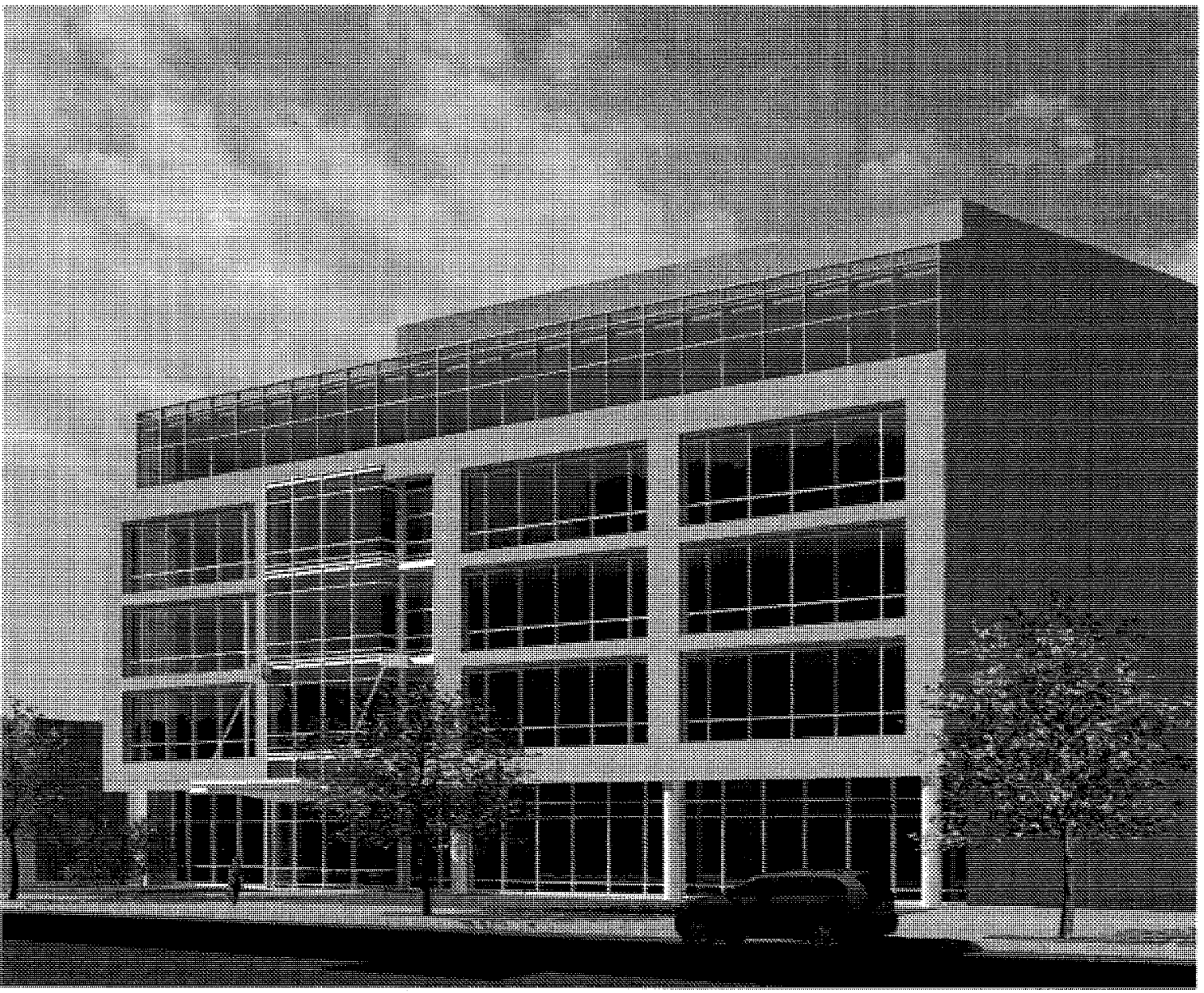
U Street Northwest
U Metro Entrance
Metro Parcel 1
Metro Parcel 2
8th St Parcel
Metro Parcel 3
Howard CVS Parking Lot
Google

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G
1			Year	1	2	3	4
2	**Effective Discount Rate:**	**14.87%**	Year Ending in August of...	2008	2009	2010	2011
3	Debt Rate	8%	Ground Lease Payments (as of Year End)	*Pre-Paid*	$ 150,000.00	$ 150,000.00	$ 150,000.00
4	Equity Rate	20%	Accumulated Toward Option	$ 100,000.00	$ 200,000.00	$ 300,000.00	$ 450,000.00
5			Option Price at Year End - 1 day	$ 4,875,000.00	$ 4,847,000.00	$ 4,820,080.00	$ 4,744,256.20
6			NPV in Aug 08 if Option Exercised this Year	$ 4,875,000.00	$3,803,857.05	$3,424,242.61	$3,067,984.19
7			(Assume rent paid at year start, option at year end)				
8			Ground Lease Assignment Fee (Paid Aug 2008)	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00
9			Effective Purchase Price	$ 8,375,000.00	$ 7,303,857.05	$ 6,924,242.61	$ 6,567,984.19
10			Potental Floor Area at 4.5 FAR (SF)	50940	50940	50940	50940
11			Effective Price per FAR-foot	$ 164.41	$ 143.38	$ 135.93	$ 128.94
12		2008 Value/FAR-ft					
13		$ 120.00	Property Market Value at Year End, starting at X/FAR-ft	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14			Net Land Equity at Assignment (Replaces Cash Equity)	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15			Percentage Land Value as Cash	57.26%	57.26%	57.26%	57.26%
16			Percentage Land Value as Debt (i.e., "free" equity)	42.74%	42.74%	42.74%	42.74%
17			Debt Rate x Debt Share of Land Equity	3.42%	3.42%	3.42%	3.42%
18			Equity Rate x Cash Share of Land Equity	11.45%	11.45%	11.45%	11.45%
19			Effective Discount Rate (average cost of capital)	14.87%	14.87%	14.87%	14.87%

FOIA CONFIDENTIAL TREATMENT REQUESTED

	H	I	J	K	L	M
1	5	6	7	8	9	10
2	2012	2013	2014	2015	2016	2017
3	$ 150,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00
4	$ 600,000.00	$ 800,000.00	$ 1,000,000.00	$ 1,200,000.00	$ 1,400,000.00	$ 1,600,000.00
5	$ 4,594,256.20	$ 4,394,256.20	$ 4,194,256.20	$ 3,994,256.20	$ 3,794,256.20	$ 3,594,256.20
6	$2,726,396.98	$2,441,975.74	$2,205,644.12	$2,009,717.67	$1,847,695.65	$1,714,083.29
7						
8	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	**$ 3,500,000.00**
9	$ 6,226,396.98	$ 5,941,975.74	$ 5,705,644.12	$ 5,509,717.67	$ 5,347,695.65	$ 5,214,083.29
10	50940	50940	50940	50940	50940	50940
11	$ 122.23	$ 116.65	$ 112.01	$ 108.16	$ 104.98	$ 102.36
12						
13	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15	57.26%	57.26%	57.26%	57.26%	57.26%	57.26%
16	42.74%	42.74%	42.74%	42.74%	42.74%	42.74%
17	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%
18	11.45%	11.45%	11.45%	11.45%	11.45%	11.45%
19	14.87%	14.87%	14.87%	14.87%	14.87%	14.87%



Subject: 1920 8th St. Project

Location: Ritz Carlton

Start: 1/28/2009 8:30 PM

End: 1/28/2009 10:00 PM

Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Sia Madani; 'Josh Adler'

Resources: Ritz Carlton

When: Wednesday, January 28, 2009 8:30 PM-10:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: Ritz Carlton

~~*~*~*~*~*~*~*~*~*~*

Subject: Accepted: 1920 8th St. Project

Location: Ritz Carlton

Start: 1/28/2009 8:30 PM

End: 1/28/2009 10:00 PM

Show Time As: Busy

Recurrence: (none)

Required Attendees: 'robb@lakritzadler.com'

Resources: Ritz Carlton

Subject: Accepted: Meeting w/ Sorgs re: 1920 8th St.

Location: TBD

Start: 1/28/2009 5:30 PM

End: 1/28/2009 6:30 PM

Show Time As: Busy

Recurrence: (none)

Required Attendees: 'robb@lakritzadler.com'

Resources: TBD

From: Ilana Branda <ilana@culturaldc.org>
Sent: Wednesday, January 28, 2009 10:38 AM
To: Josh Adler <josh@lakritzadler.com>
Subject: RE: Source CLD
Attach: (62158142)_(1)_WS_BinaryComparison_LA - Uptown Arts CLD Purchase Agreement 9-5-08 redline-#62018190v4_DB1_ - Source Theatre - Purchase and Sale of Com (2).DOC; WS_BinaryComparison_LA- Uptown Arts CLD Covenant with CDCDC-LA-Uptown Arts CLD Covenant with CDCDC v2.doc

---

In terms of the covenants – attached is the last mark-up we submitted with the following change still necessary: After your lawyers brought up the issues with potentially deleting paragraph 5, I spoke with our lawyers and we are ok with leaving it in.

Main contract – our last mark-up is attached.

General note – the square footage needs to be changed to 30,936 throughout all the documents, with associate financial numbers changed.

Thanks,
Ilana

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, January 27, 2009 5:25 PM
To: Ilana Branda
Subject: RE: Source CLD

Hi Ilana,

I'm a little confused on the status of the documents – we had received a marked-up contract a while back that I thought was a final, but then I got an email from Anne saying that there were more mark-ups coming from other people, and I asked for a consolidated mark-up. I'm not sure if what we got was the consolidated mark-up or not. Could you clarify as to which version is the final version?

Thanks,

Josh

From: Ilana Branda [mailto:ilana@culturaldc.org]
Sent: Tuesday, January 27, 2009 12:55 PM
To: Josh Adler
Subject: RE: Source CLD

Josh,
Have your lawyers had a chance to finalize the documents? I believe we've shared all our comments with you and have hopefully come to terms that are agreeable to us and to OAD.
Let me know how everything is going,
Ilana

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, December 09, 2008 4:28 PM
To: Ilana Branda
Subject: FW: Source CLD

Ilana, see Dennis's email below.

From: Dennis.Hughes@hklaw.com [mailto:Dennis.Hughes@hklaw.com]
Sent: Tuesday, December 02, 2008 9:57 PM
To: josh@lakritzadler.com
Cc: robb@lakritzadler.com
Subject: RE: Source CLD

Josh - This covenant is based on another similar covenant previously approved by the DC Office of Attorney General. It is possible that the OAG may allow for certain variations to said form, but I will note that the language proposed to be deleted is pretty standard on covenants of this sort that we have processed in the Downtown Development District etc. It is also important to note that no CLD allocation can vest without recording a covenant that has been approved in form and content by OAG, so Seller needs to appreciate that whatever we ultimately submit to OAG for approval may well be altered at OAG's direction. Please see Paragraph 2.03 of the Purchase Agreement for reference to same. If we cannot reach agreement with OAG on the language, that office will not approve the covenant as legally sufficient, and we cannot move forward.

All that said, I would anticipate that OAG may take greatest issue with the proposed deletions to Paragraph 5.2 (which assures DC that there are no other obligations that might take precedence over (and thus potentially void) this covenant) and Paragraph 5.3(b) confirms the construction of the legitimate theater use- we may be able to argue that this last issue is addressed in Recital J and the NOW THEREFORE paragraph - but it is pretty standard fare.

In summary, I would say that we can propose the document as revised to OAG but would expect that at least Paragraphs 5.2 and 5.3(b) will be required to be reinstated. If that is the course taken, I would suggest you require that conforming deletions be made with respect to Purchaser's obligations in Paragraph 4.

Finally, I believe we still have some unresolved calculations etc as raised in the email far below. Let me know if you want to review those.

Thanks.
Dennis

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Friday, November 21, 2008 12:05 PM
To: Hughes, Dennis R (WAS - X72448)
Cc: robb@lakritzadler.com
Subject: FW: Source CLD

Dennis,

Note the big sections they cut in section 5, "Parcel A owner declarations" – is this a problem?

Thanks,

Josh

From: Ilana Branda [mailto:ilana@culturaldc.org]
Sent: Monday, November 17, 2008 9:59 AM
To: Josh Adler
Cc: Anne Corbett
Subject: FW: Source CLD

Josh,
Attached are our lawyers comments on the proposed Covenant. We are also concerned with the calculation for square footage. Recital J on page 3 show an accurate calculation of available square footage we have to sell of 30,936. However, beginning with recital K and throughout the rest of the document 33,800 is used. Please let me know how you got to this number, or do we need to change it to the 30,936 throughout the document?

Thanks,
Ilana

Ilana Branda
Program Manager, Housing & Community Development | **Cultural Development Corporation**
Flashpoint | 916 G St, NW | WDC 20001
Source | 1835 14th St, NW | WDC 20009
202.315.1324 | 202.315.1303 fax | ilana@culturaldc.org
culturaldc.org | flashpointdc.org | sourcedc.org

In the Mead Theatre Lab at Flashpoint
PUNCH - that's the way we do it!
October 31 - November 22

AGREEMENT OF PURCHASE AND SALE
OF COMBINED LOT DEVELOPMENT RIGHTS

THIS AGREEMENT OF PURCHASE AND SALE OF COMBINED LOT DEVELOPMENT RIGHTS ([the]**this** "**Agreement**") is made and entered into this ___ day of September, 2008 (the [**"**]**"Effective Date**[**"**]**"**) by and between THE CULTURAL DEVELOPMENT CORPORATION OF THE DISTRICT OF COLUMBIA, a District of Columbia not-for-profit corporation, its successors, affiliates and assigns ("**Seller**"), and LAKRITZ ADLER DEVELOPMENT**,** LLC, a District of Columbia limited liability company, its successors, affiliates and assigns ("**Purchaser**").

RECITALS

A. Seller owns fee simple absolute title to Lots 33 and 34 in Square 238 in the District of Columbia, with premises address of 1835 14th Street, NW, and more fully described on the attached Exhibit A (the "**Seller Property**").

B. The District of Columbia Zoning Commission (the "**Zoning Commission**") has adopted certain combined lot development rules and regulations which permit the allocation of non-residential and residential gross floor area rights between properties. These rules and regulations include, without limitation, that portion of the District of Columbia Zoning Regulations (11 DCMR, Section 100 et seq., as amended) known as the Uptown Arts-Mixed Use (ARTS) Overlay District Regulations, 11 DCMR, Chapter 19, Section 1900 et seq., as amended (hereinafter referred to as the [**"**]**"ARTS Regulations**[**"**]**"**).

C. Pursuant to Section 1905 of the ARTS Regulations, the **parties understand that the** Seller Property is entitled to allocate and transfer gross floor area as Combined Lot Development ([**"**]**"CLD**[**"**]**"**) rights for the purpose of transferring bonus density to qualified properties within the ARTS Overlay District **(as such term is defined under the ARTS Regulations)**.

D. In accordance with the terms, conditions, and covenants set forth herein, Purchaser desires to acquire from Seller the entire amount of CLD rights generated by the Seller Property in order to increase the permitted density of development on property currently known as Lot 46 in Square 393 in the District of Columbia, with premises address of 1916-1930 8th Street, NW, and more fully described on the attached Exhibit B, or any successor record or tax lot, or such other lot or lots within the ARTS Overlay District designated by Purchaser in its sole discretion (the "**Purchaser Property**").

E. Purchaser and Seller desire to enter into a Combined Lot Development Covenant ("**CLD Covenant**") with the District of Columbia which CLD Covenant will enable Purchaser to use the CLD rights generated by the Seller Property on the Purchaser Property, which CLD Covenant shall be recorded in the land records of the District of Columbia in accordance with the terms and conditions set forth herein, in conjunction with the disbursement of the Purchase Consideration, as defined herein.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are a material part of this Agreement and not mere precatory language, mutual terms, conditions and covenants

CONFIDENTIAL LA 859

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016803

set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Purchase and Sale of CLDs.

1.01. Commitment to Sell. Upon the terms and subject to the conditions set forth in this Agreement, Seller shall sell, convey, allocate, transfer, assign and deliver to Purchaser the entire amount of CLD rights generated by the theater use of the Seller Property (estimated at approximately 33,800 square feet of gross floor area)(hereinafter the [~~"~~]**"ARTS Overlay CLDs**[~~"~~]**"**), in accordance with all applicable governmental laws, rules, and regulations, and free and clear of all known liens, claims, mortgages or encumbrances.

1.02. Commitment to Purchase. Upon the terms and subject to the conditions set forth in this Agreement, Purchaser shall purchase the ARTS Overlay CLDs from the Seller and shall pay or deliver to Seller the Purchase Consideration (as set forth below). **Purchaser agrees that it will diligently pursue all permits and approvals necessary for the transfer of the ARTS Overlay CLDs.**

1.03. Purchase Consideration. In consideration of the sale to Purchaser of the **ARTS Overlay** CLDs, Purchaser shall pay or deliver to Seller a sum in the amount of Seven Dollars Fifty Cents ($7.50) per square foot of CLDs transferred to the Purchaser Property (**as such amounts may be increased pursuant to Section 1.03(E)(iii),** the "**Purchase Consideration**"). By way of example only, if the ARTS Overlay CLDs total 33,800 square feet, the Purchase Consideration will total $253,500.00. The Purchase Consideration shall be payable as follows:

(A) Five Thousand and No/100 Dollars ($5,000.00) delivered by Purchaser upon full execution of the letter agreement executed by Seller and Purchaser on April 1, 2008 to the Escrow Agent (as defined below) as the deposit (the "**Deposit**"), which Deposit shall be held by Escrow Agent pursuant to the terms of Section 1.04 below.

(B) **Subject to Section 1.03(E) below.** The remainder of the Purchase Consideration, together with the Deposit, will be paid to Seller in cash, by certified cashier's check, or by wire transfer at Closing (as defined below) subject to the default provisions set forth herein.

(C) Purchaser shall have one hundred eighty (180) days from the date of full execution of this Agreement (the "**Feasibility Period**") to study any issues whatsoever regarding this transaction including any issues related to the Seller Property; provided, however, that Purchaser shall have no right whatsoever to enter onto the Seller Property without the prior consent of Seller. Within ten (10) business days of the Effective Date, Seller shall deliver to Purchaser all of the [~~Due Diligence Materials~~]**due diligence materials** in Purchaser's possession (which may include surveys, architectural and construction plans, property records and/or other documents and materials that will assist Purchaser in confirming the existence or future creation and amount of ARTS Overlay CLDs generated by the theater use of the Seller Property). If Purchaser, in its sole discretion and for any reason whatsoever, terminates the Agreement at the end of the Feasibility Period by notice in writing or email to Seller and Escrow Agent delivered no later than 5:00 P.M. on the date of expiration of the Feasibility Period, Escrow Agent will

CONFIDENTIAL LA 860

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016804

promptly refund the Deposit to Purchaser, this Agreement will be terminated and neither party will have any further obligation to each other. If Purchaser fails to give Seller a notice of termination prior to 5:00 p.m. on the date of expiration of the Feasibility Period, Purchaser shall no longer have any right to terminate this Agreement under this Section 1.03(C) and the Deposit shall be non-refundable (except as otherwise provided herein).

(D) If the Closing has not occurred within thirty-six (36) **calendar** months of the Effective Date[~~(the "Closing Expiration Date")~~], and no Event of Default pursuant to Section 5.01(B)**(i) or (ii)** below has occurred, Seller shall have the right to terminate this Agreement within thirty (30) days following the [~~Closing Expiration~~]**last day of the 36th calendar month after the Effective** Date (the "**Seller Termination Option**") by notice in writing or e-mail to Seller and Escrow Agent, and Escrow Agent will upon receipt of such notice promptly refund the Deposit to Purchaser, this Agreement will be terminated and neither party will have any further obligation to each other .

(E) If the Closing has not occurred within eighteen (18) **calendar** months of the Effective Date, and no Event of Default pursuant to Section 5.01(B)**(i) or (ii)** below has occurred, this Agreement shall continue in full force and effect provided, however, that:

(i) **On the first day of the nineteenth (19th) calendar month after the Effective Date (the "Payment Date"),** the Deposit shall be deemed earned by Seller and released to Seller, and Purchaser shall [~~pay~~]**deliver on said date** to Seller an additional Twenty Thousand and No/100 Dollars ($20,000.00) as an extension payment (the [~~"~~]**"Extension Payment**[~~"~~]**"**), which Extension Payment shall be non-refundable and deemed earned by Seller and shall be credited in full at the Closing as a portion of the Purchase Consideration;

(ii) on each anniversary of the [~~Extension~~]Payment **Date**, if any, Purchaser shall [~~pay~~]**deliver** to Seller an additional Twenty Thousand and No/100 Dollars ($20,000.00) as a further extension payment (each such payment hereinafter the [~~"~~]**"Additional Extension Payment**[~~"~~]**"**), and each such Additional Extension Payment shall be non-refundable and shall be credited in full at the Closing as a portion of the Purchase Consideration; and

(iii) the Purchase Consideration shall [~~also~~]increase by One-Half of One Percent (0.5 %) of the base Purchase Consideration on the first day of each month beginning with the nineteenth (19th) **calendar** month following the Effective Date, and continuing until the Closing.

(F) If Purchaser does not timely deliver any of the Deposit, Extension Payment, or Additional Extension Payments, then Seller shall have the right to terminate this Agreement and retain all payments previously delivered to Seller or to which Seller was entitled by the terms of this Agreement and the parties shall have no further obligation or liabilities to each other hereunder.

1.04. Deposit and Escrow.

CONFIDENTIAL LA 861

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016805

(A) The Escrow. Upon execution of this Agreement, Purchaser shall deliver the Deposit to Regional Title Corp. (the "**Escrow Agent**") at its offices located at 1620 L Street, NW, Suite 1200, Washington, DC 20036. Escrow Agent shall hold the Deposit in accordance with this Agreement (the "**Escrow**"). Additionally, the Escrow Agent shall receive, endorse, and deposit any and all instruments and funds payable to the order of the Escrow Agent. The Escrow Agent shall act, with respect to payments, as a stakeholder only and shall not be liable for the payment of any interest or court costs in any action that may be brought to recover the monies held in escrow, or any part thereof, unless the Escrow Agent shall fail or refuse to pay over any such monies pursuant to a judgment order or decree that shall be final beyond possibility of appeal.

(B) Investment of the Deposit. The Escrow Agent shall invest the Deposit in a federally-insured, interest bearing account, or such other investments as Seller and Purchaser shall from time to time jointly approve or jointly direct in writing. Upon any such investment or reinvestment, such securities and all interest accruing thereon shall be included as part of the Deposit for all purposes of this Agreement and shall be credited against the Purchase Consideration payable at Closing.

(C) Disbursement.

(i) [~~Joint Written Direction~~]Order of Court. Notwithstanding other provisions of this Agreement to the contrary, upon receipt [~~by the Escrow Agent of the joint written direction of Purchaser and Seller, or~~]**of** a certified copy of [~~the~~]**a** final order, decree, or process of any court of competent jurisdiction final beyond appeal **with respect to the Deposit**, the Escrow Agent shall disburse the Deposit in accordance with[~~such direction or~~] such final order. If the Escrow Agent is in doubt as to whether the time for appeal of any final order, decree, or process of any court has lapsed, the Escrow Agent may request and may rely upon a written opinion of counsel acceptable to the Escrow Agent.

(ii) Sworn Statements. The Escrow Agent shall make disbursements from the Deposit to or for the account of Seller or Purchaser, upon demand by the requesting party, following written notice (given in accordance with the provisions of this Agreement) of such requested disbursement to the non-requesting party and the passage of five (5) business days without the Escrow Agent's receipt of any written objection from the non-requesting party, on the following terms and conditions:

(a) Upon receipt by the Escrow Agent of a sworn statement signed by an authorized representative of Purchaser, stating that a specific condition (which condition shall be identified and particularly described) set forth in this Agreement has occurred or failed to occur, or that a default by Seller has occurred beyond any applicable cure periods, and that Purchaser is entitled to the entire proceeds of the Deposit in accordance with the terms and conditions of this Agreement;

(b) Upon receipt by the Escrow Agent of a sworn statement signed by Seller, or its authorized representatives, stating that a default has occurred by Purchaser failing to close under this Agreement and the lapse of any applicable cure period, thus entitling Seller to the entire proceeds of the Deposit;

CONFIDENTIAL LA 862

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016806

(c) Upon receipt by the Escrow Agent of a letter signed by authorized representatives of the Purchaser and the Seller certifying that (i) all conditions precedent to the Closing are satisfied and (ii) Seller is entitled to receive the Deposit as a credit against the Purchase Consideration.

(D) General Rights and Responsibilities of the Escrow Agent.

(i) Compensation. The customary and reasonable fees and expenses, if any actually incurred by the Escrow Agent for its services in such capacity hereunder, shall be borne equally by the Seller and Purchaser.

(ii) Duty of Care. The Escrow Agent shall not be obligated to inquire as to the manner of execution or validity of any document or instrument deposited pursuant to the provisions hereof, nor shall the Escrow Agent be obligated to inquire as to the identity, authority, or rights of the persons executing the same. The Escrow Agent shall be liable under this Agreement only for its failure to exercise due care in the performance of its duties expressly set forth in this Agreement. In case of conflicting demands upon it, the Escrow Agent may withhold performance hereunder until such time as those conflicting demands shall have been withdrawn or the rights of the respective parties shall have been settled by court adjudication, arbitration, consent order, or otherwise.

(iii) Indemnification. Purchaser and Seller shall indemnify the Escrow Agent and hold it harmless from and against all loss, damage, and expense the Escrow Agent may incur by reason of this Agreement, unless such loss, damage, or expense is attributable to the failure by the Escrow Agent to exercise due care in the performance of its obligations hereunder.

(iv) Resignation. The Escrow Agent may resign by giving at least thirty (30) days prior written notice to Purchaser and Seller at their respective addresses set forth herein. Within thirty (30) days after receiving such notice, Seller and Purchaser agree to appoint a successor escrow agent to which the Escrow Agent may distribute the property then held hereunder. If a successor escrow agent has not been appointed and has not accepted such appointment by the end of such thirty (30) day period, the Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor to act as Escrow Agent, and the costs, expenses, and reasonable attorneys' fees incurred by the Escrow Agent in connection with such proceeding shall be paid in equal shares by the Purchaser and the Seller. Purchaser and Seller may replace Escrow Agent at any time by joint written notice, whereupon Escrow Agent shall deliver the Deposit as instructed in such notice.

(E) Simultaneous Notices. Any notice or other document sent to the Escrow Agent by the Purchaser or Seller shall simultaneously be sent to the other party and no notice to the Escrow Agent shall be effective unless such duplicate copy is sent.

2. Closing.

2.01. Time and Place. The transactions contemplated herein shall be consummated at the closing (the "**Closing**") which shall take place at the offices of either

CONFIDENTIAL LA 863

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016807

Holland & Knight LLP, 2099 Pennsylvania Avenue, NW, Suite 100, Washington, DC 20006, or Escrow Agent (as may be designated by Purchaser) not later than the later of: (i) sixty (60) days after Purchaser has been issued final building permits from the District of Columbia Department of Consumer and Regulatory Affairs for its development project on the Purchaser Property; or (ii) receipt of the fully approved and executed CLD Covenant from the District of Columbia or at such earlier date and time as Purchaser may designate in its sole discretion.

2.02. Closing Costs. Purchaser shall pay for the costs of title examination ordered by Purchaser, customary title company closing charges, notary fees, and all costs associated with Purchaser's due diligence. Seller shall be responsible for the payment of any transfer taxes and Purchaser shall be responsible for the payment of any recordation taxes. All other costs, including but not limited to attorney, architect, or other professional fees and costs, shall be borne by the respective party who engaged such professional.

2.03. Execution of CLD Covenant and CLD Certificate. At such time as Purchaser directs, Purchaser and Seller shall submit the CLD Covenant, substantially in the form attached hereto as Exhibit C, to the District of Columbia Office of Attorney General for determination of legal sufficiency. Upon receipt, approval and incorporation into the CLD Covenant of any **approved** comments received from the Office of Attorney General, Seller and Purchaser shall promptly execute the CLD Covenant and file such covenant for approval and execution by the District of Columbia Office of Planning, the District of Columbia Zoning Administrator, the District of Columbia Office of Attorney General and the Office of the Mayor of the District of Columbia.

2.04. Covenants and Conditions to Closing. The obligations of the parties hereto shall be subject to the satisfaction of the following conditions precedent to Closing:

(A) At Closing, Purchaser and Seller shall deliver to Escrow Agent the CLD Covenant fully executed by Seller, Purchaser and the District of Columbia, and Purchaser shall deliver the Purchase Consideration by cashier's check or wire transfer of available federal funds. Seller and Purchaser shall each execute and deliver to Escrow Agent such additional documents and instruments as may be reasonably necessary or customary to consummate the transaction described in this Agreement, including without limitation a standard form of owner's affidavit executed by Seller and a settlement statement prepared by Escrow Agent and approved by both Purchaser and Seller.

2.05. The obligation of Purchaser to proceed to the Closing shall be conditioned further upon confirmation by Purchaser[~~and Seller~~], that as of the Closing, the ARTS Overlay CLDs to be transferred to the Purchaser Property total at least 30,936 square feet **by** _____.

2.06. Closing Procedures. Upon Escrow Agent's receipt of the Purchase Consideration in the amount shown on the settlement statement **and the disbursement thereof to Seller**, Escrow Agent shall proceed to record the fully executed CLD Covenant in the Office of the Recorder of Deeds for the District of Columbia[~~and shall disburse the Purchase Consideration to Seller~~].

CONFIDENTIAL LA 864

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016808

3. Representations and Warranties.

3.01. Purchaser's Representations and Warranties. Purchaser represents and warrants that the following are true and correct as of the date first written above, and will continue to be true and correct as of the Closing Date:

(A) Purchaser has the legal right and capacity to execute this Agreement and to perform in accordance with each of the terms, conditions and covenants set forth herein. This Agreement is a valid and binding obligation of Purchaser which is enforceable in accordance with its terms.

(B) The person(s) executing this Agreement on behalf of Purchaser has/have the authority to bind Purchaser to each of the terms, conditions and covenants set forth in this Agreement.

(C) There are no actions or proceedings pending, or to the best knowledge of Purchaser, threatened, which affect Purchaser's ability to perform each of the terms, conditions and covenants set forth in this Agreement. To the best of Purchaser's knowledge, Purchaser is not in default with respect to any order, injunction, decree or demand of any court or any governmental authority which relates to the Purchaser's ability to perform pursuant hereto.

3.02. Seller's Representations and Warranties. Seller represents and warrants that the following are true and correct as of the date first written above, and will continue to be true and correct as of the Closing Date:

(A) Seller has the legal right and capacity to execute this Agreement and to perform in accordance with each of the terms, conditions and covenants set forth herein. This Agreement is a valid and binding obligation of Seller which is enforceable in accordance with its terms.

(B) The person(s) executing this Agreement on behalf of Seller has/have the authority to bind the Seller to each of the terms, conditions and covenants set forth in this Agreement.

(C) There are no actions or proceedings pending, or to the best knowledge of Seller, threatened, which affect Seller, the Seller Property or Seller's ability to perform each of the terms, conditions and covenants set forth in this, Agreement. To the best of Seller's knowledge, Seller is not in default with respect to any order, injunction, decree or demand of any court or any governmental authority which affects the Seller's ability to perform pursuant hereto.

(D) The transactions contemplated by this Agreement will not result in any breach of, or constitute a default under, any instrument, contract or agreement to which Seller is a party or by which Seller may be bound or affected.

(E) Seller has good and marketable fee simple absolute title to the Seller Property.

CONFIDENTIAL LA 865

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016809

(F) Seller has not previously transferred, assigned or otherwise encumbered any gross floor area that relates to the Seller Property which transfer or assignment would adversely affect Seller's ability to transfer the ARTS Overlay CLDs.

(G) To the best of Seller's knowledge and belief, the Seller Property is not in violation of any law, rule or regulation, including but not limited to laws, rules and regulations relating to construction, fire prevention, taxes and zoning which would impair the ability of Seller to transfer the ARTS Overlay CLDs.

(H) There is no bankruptcy, insolvency, rearrangement, or similar action or proceeding, whether voluntary or involuntary, pending or to the best of Seller's knowledge, threatened, which could affect the Seller's ability to perform any of its obligations hereunder in any material respect.

(I) The Gross Floor Area (as that term is defined in the Zoning Regulations) of the finished improvements on the Seller Property is, or will be as of the Closing, not less than 7,734 square feet, all of which area is improved, occupied and maintained, or will be as of the Closing, as Legitimate Theater (as that term is defined in the Zoning Regulations) and that the improvements on the Seller Property were originally constructed prior to 1958.

(J) **To the best of Seller's knowledge,** Seller is not a party to any other agreement, [~~of any kind or nature,~~]which [~~might~~]**would have a material** affect **on** the ARTS Overlay CLDs or[~~the~~] Seller's ability to transfer the ARTS Overlay CLDs to Purchaser.

4. Seller's Continuing Covenants.

4.01. Material Changes. Seller covenants that it will not **knowingly** take any action affecting the Seller Property which adversely affects the ARTS Overlay CLDs allocated and transferred pursuant to the terms set forth herein. Seller will promptly notify Purchaser, in writing, of each and every material change in fact, circumstance or condition of which it has knowledge which adversely affects any of the representations and warranties set forth herein.

5. Events of Default and Remedies.

5.01. Events of Default.

(A) By Purchaser. Each of the following shall constitute an event of default ("**Event of Default**") by Purchaser hereunder:

(i) if the Purchaser fails to post **any of** the Deposit[~~as~~], **Extension Payment or Additional Extension Payments as and when** required herein pursuant to Section 1.04(A);

(ii) if the Purchaser fails to pay the Purchase Consideration at Closing upon the Seller's satisfaction of each material term, condition, covenant, representation and warranty set forth herein which Seller is required to satisfy;

CONFIDENTIAL LA 866

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016810

(iii) if the Purchaser becomes insolvent, fails to pay its debts as they become due, files a petition for relief, or for any composition, rearrangement, extension, reorganization or other relief under any bankruptcy law or under any other law for the relief of debtors now or hereafter existing, shall make a settlement with or general arrangement or assignment for the benefit of creditors, or if an order for relief pursuant to any federal or state bankruptcy or insolvency law shall be granted with respect to Purchaser[.]**;**

(iv) if a representation or warranty of Purchaser under this Agreement is not correct in any material respect[.]**; and**

(v) if the Purchaser fails to comply with any of the material terms, conditions, or covenants applicable to Purchaser set forth in this Agreement **including the obligation to diligently pursue all approvals and permits necessary to purchase the ARTS Overlay CLDs**.

(B) By Seller. Each of the following shall constitute an Event of Default by Seller hereunder

(i) if the Seller fails to comply with any of the material terms, conditions, or covenants applicable to Seller set forth in this Agreement which materially affects Seller's ability to allocate and transfer the ARTS Overlay CLDs to Purchaser;

(ii) if Seller becomes insolvent, fails to pay its debts as they become due, files a petition for relief, or for any composition, rearrangement, extension, reorganization or other relief under any bankruptcy law or under any other law for the relief of debtors now or hereafter existing, shall make a settlement with or general arrangement or assignment for the benefit of creditors, or if an order for relief pursuant to any federal or state bankruptcy or insolvency law shall be granted with respect to Seller;**and**

[~~(iii) if each of the conditions to the Closing set forth herein in Sections 2.04(A) is not fully satisfied, or waived in writing by Purchaser, prior to the Closing;~~]

([iv]**iii**)if any representation or warranty of Seller under this Agreement is not correct in any material respect.

(C) Remedies Upon an Event of Default.

(i) Seller's Remedies. Upon the happening of any Event of Default by Purchaser, Seller shall have the right to terminate this Agreement and to receive **and/or retain any of** the Deposit**, Extension Payment or Additional Extension Payments** and any interest thereon as liquidated damages as its sole and exclusive remedy.

(ii) Purchaser's Remedies. Upon the happening of an Event of Default by Seller, Purchaser shall have the absolute right, at its option and election, to elect one of the following, as its sole remedy in lieu of any other remedy

CONFIDENTIAL LA 867

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016811

(a) cancel this Agreement immediately by written notice to Seller, whereupon this Agreement shall be deemed to be terminated and Purchaser shall have no further liability to Seller, and if the Deposit has been delivered as provided for herein, the Deposit with all interest thereon shall be promptly returned to Purchaser; or

(b) institute appropriate proceedings to specifically enforce Seller's obligation to allocate and transfer the ARTS Overlay CLDs to Purchaser in accordance with the terms set forth herein.

The above remedies and rights of Purchaser and Seller shall be exclusive and not cumulative. Purchaser shall have the absolute right to resort to any one of said remedies, to the exclusion of the others, in the event of any such Event of Default by Seller. Prior to declaring an Event of Default, Purchaser and Seller shall each provide written notice thereof to the other and shall provide the other with ten (10) business days to cure any such default**, except with respect to a failure to deliver any of the Deposit, Extension Payment or Additional Extension Payments for which Seller shall have two (2) business days to cure**.

6. General Provisions.

6.01. Notices. All notices, payments and other required communications ("**Notices**") to the parties shall be in writing, and shall be addressed respectively as follows

If to Seller: The Cultural Development Corporation of
the District of Columbia
916 G Street, NW
Washington, DC 20001
Attention: Anne Corbett

With copy to: Morgan Lewis & Bockius LLP
1111 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Attention: Henry Liu, Esq.

If to Purchaser: LaKritz Adler Development, LLC
4326 8th Street, NW
Washington, DC 20011
Attention: Robb LaKritz

With a copy to: Holland & Knight LLP
2099 Pennsylvania Avenue, N.W.
Suite 100
Washington, DC 20006
Attention: Christopher H. Collins

CONFIDENTIAL LA 868

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016812

All Notices shall be given (i) by personal delivery to the applicable party; or (ii) by registered or certified mail, return receipt requested; or (iii) by recognized national or regional overnight delivery service. All Notices shall be effective and shall be deemed delivered and received: (i) if by personal delivery or facsimile, on the date of delivery, if delivered during normal business hours; and, if not delivered during normal business hours, on the next business day following delivery; (ii) if solely by mail three business days after the date deposited into the U.S. Mail, registered or certified mail, return receipt requested, properly addressed and postage prepaid; and (iii) if by overnight delivery, on the day following delivery to such overnight courier. A party hereto may change its address by written notice to the other party.

6.02. Waiver. The failure of Seller or Purchaser to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a wavier of any provision of this Agreement or limit Seller's or Purchaser's right thereafter to enforce any provision or exercise any right.

6.03. Modification. No modification of this Agreement shall be valid unless made in writing and duly executed by authorized representatives of Purchaser and Seller.

6.04. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the District of Columbia**, without regard to conflict of law principles. Any action or proceeding arising out of this Agreement shall be brought in the District of Columbia and the parties hereby consent to said venue**.

6.05. Further Assurances. Each of the parties hereto agrees to take such actions and execute such additional instruments from time to time as may be reasonably necessary or convenient to implement and carry out the intent and purpose of this Agreement.

6.06. Entire Agreement; Successors and Assigns. This Agreement contains the entire understanding of the parties which supersedes all prior agreements and understandings between the parties relating to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the respective successors, affiliates and assigns of Seller and Purchaser. Neither this Agreement, nor the performance of any of the provisions contained herein, shall be assigned, subcontracted or delegated by Seller without the express prior written consent of Purchaser, which may not be unreasonably withheld, conditioned or delayed. Purchaser may assign its rights and delegate its obligations under this Agreement in its sole and absolute discretion, including but not limited to designation of the property(ies) comprising the Purchaser Property.

6.07. Disputes. If any dispute arises under, or relates to, this Agreement, the losing party hereby agrees to promptly reimburse the prevailing party for all fees, costs and expenses incurred by the prevailing party, including without limitation reasonable attorneys' fees, expert fees and collection costs, whether or not formal proceedings are instituted.

6.08. Exhibits. The following exhibits are attached hereto and made a part of this Agreement:

Exhibit A: Seller Property
Exhibit B: Purchaser Property

Exhibit C: Form of Combined Lot Development Covenant

6.09. Order of Priority. In the event of any conflict between this Agreement and any exhibit attached hereto, the terms of this Agreement shall be controlling.

6.10. Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.11. Counterparts. This Agreement may be executed in any number of counterparts all of which taken together shall constitute one and the same instrument and any of the parties or signatories hereto may execute this Agreement by signing any such counterpart.

6.12. Interpretation. Wherever the singular number is used herein, the same shall include the plural; the use of any gender shall include all genders. The headings set forth herein are provided solely for convenience and shall not be considered when interpreting the intention of the parties hereto.

6.13. Brokers. Seller warrants to Purchaser that it has not dealt with any real estate broker, agent, or finder in connection with this transaction. Purchaser warrants to Seller that it has not dealt with any real estate broker, agent or finder in connection with this transaction, and that no right or claim for brokerage commissions or other compensation has been created by its actions in connection herewith. Seller and Purchaser shall indemnify and hold each other harmless against all loss, liability or expense, including reasonable attorneys' fees and litigation costs, incurred by the other to the extent that one or the other is shown to be in breach of the foregoing warranties.

6.14. Savings Clause. Notwithstanding anything to the contrary contained in this Agreement, if the Closing has not occurred as of the day before the date that is twenty-one (21) years after the death of the last living lineal descendant of George H.W. Bush who was alive or in being on the Effective Date, then this Agreement shall terminate, the Deposit shall be returned to Purchaser and (unless either party was in default under this Agreement, in which event the non-defaulting party shall have the rights and remedies set forth in Section 5) neither party shall have any further rights or obligations hereunder.

{signatures on following page}

CONFIDENTIAL LA 870

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016814

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal as of the date first above written.

SELLER:

THE CULTURAL DEVELOPMENT CORPORATION
OF THE DISTRICT OF COLUMBIA,
a [----------]**District of Columbia non-profit** corporation

By: _____
Name:
Title:

PURCHASER:

LAKRITZ ADLER DEVELOPMENT, LLC,
a District of Columbia limited liability company

By: _____
Name:
Title:

CONFIDENTIAL LA 871

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016815

CONSENT

The undersigned Escrow Agent has reviewed this Agreement and consents to the performance of each term and condition applicable to the Escrow Agent in accordance with the provisions set forth herein.

_____

By: _____
Name:
Title:

CONFIDENTIAL LA 872

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016816

EXHIBIT A

LEGAL DESCRIPTION OF SELLER PROPERTY

All that certain lot or parcel of land together with all improvements thereon located and being in the City of Washington in the District of Columbia, more particularly described as follows:

Lots numbered Thirty-Three (33) and Thirty-Four (34) in Square numbered Two Hundred Thirty-Eight (238).

EXHIBIT B

LEGAL DESCRIPTION OF PURCHASER PROPERTY

All that certain lot or parcel of land together with all improvements thereon located and being in the City of Washington in the District of Columbia, more particularly described as follows:

Lot numbered Forty-Six (46) in Square numbered Three Hundred Ninety-Three (393).

DB1/[~~62018190.3~~]62018190.4

[~~7~~]9/[30]23/08

EXHIBIT C

FORM OF COMBINED LOT DEVELOPMENT COVENANT

[insert]

[~~#5328174_v2~~]

DB1/[~~62018190.3~~]62018190.4

[~~7~~]9/[~~30~~]23/08

COMBINED LOT DEVELOPMENT COVENANT

THIS COMBINED LOT DEVELOPMENT COVENANT (the "**Covenant**") is made as of the __ day of _____ 2008 (the "**Effective Date**") by and among THE CULTURAL DEVELOPMENT CORPORATION OF THE DISTRICT OF COLUMBIA, a _____ corporation, its successors, affiliates and assigns ("**Parcel A Owner**"), 1920 8TH STREET LLC, a Delaware limited liability company, its successors, affiliates and assigns ("**Parcel B Owner**"), and the DISTRICT OF COLUMBIA, a municipal corporation acting in its own name, or by and through its agencies, departments or instrumentalities, whether or not such agencies, departments or instrumentalities are specifically identified herein (the "**District**"). Parcel A Owner, Parcel B Owner, and the District hereby ratify, affirm and agree to the following terms, conditions, covenants, warranties, and obligations, including but not limited to, all recitals.

RECITALS

A. When used in this Covenant, the following capitalized terms shall have the meanings indicated:

"**Arts District**" – the zone district known as the Uptown Arts-Mixed Use (ARTS) Overlay District. The regulations governing use and development of land in the Arts District are set forth in Chapter 19 of the District of Columbia Zoning Regulations.

"**Arts Regulations**" – the Zoning Regulations applicable to the Arts District, codified at Chapter 19 of the Zoning Regulations, enacted by the Zoning Commission in Order No. 632 (Case No. 87-7), published at 37 DCR 1450 (February 23, 1990), as amended by the Commission on October 19, 1992, published at 39 DCR 8323 (November 13, 1992), as further amended by the Commission in Order No. 632B, on January 11, 1993, published at 40 DCR 1645, on February 26, 1993, and as further amended by the Commission in Order No. 632C, on October 17, 1994, published at 42 DCR 2403, on May 12, 1995. References in this Covenant to the Arts Regulations shall be to those in effect as of the Effective Date (defined in Paragraph 3 below) of this Covenant.

"**Arts and Arts Related Uses**" – those uses set forth in Section 1908.1 of the Arts Regulations.

"**Combined Lot**" – collectively, Parcel A and Parcel B.

"**Floor Area Ratio**" or "**FAR**" – as defined in the Zoning Regulations.

"**Gross Floor Area**" - as defined in the Zoning Regulations.

"**Land Records**" – the Land Records of the Office of the Recorder of Deeds of the District of Columbia.

"**Parcel A**" – Lots 33 and 34 in Square 238 of the District of Columbia (or any successor tax lot or record lot), containing approximately 4,326 square feet of land area, as the same is more particularly described on Exhibit A.

"**Parcel A Improvements**" – a legitimate theater project occupying space in a building constructed before 1958 and located on Parcel A containing approximately 7,734 square feet of arts and/or arts-related space.

"**Parcel B**" – Lot 46 in Square 393 of the District of Columbia (or any record lot comprised of all of the foregoing), containing approximately 11,320 square feet of land area, as the same are more particularly described on Exhibit B.

"**Parcel B Improvements**" – a proposed building to be located on Parcel B that will contain approximately _____ square feet of nonresidential Gross Floor Area.

"**Retail and Services Uses**" – those uses set forth in Section 1907.1 of the Arts Regulations.

"**Zoning Commission**" – the Zoning Commission for the District of Columbia.

"**Zoning Regulations**" – the Zoning Regulations of the District of Columbia, codified at Title 11, D.C.M.R., July 1995, as amended by subsequent orders of the Zoning Commission. References in this Covenant to the Zoning Regulations shall be to those in effect as of the Effective Date of this Covenant.

B. Parcel A Owner is the record owner of fee simple title to Parcel A. Parcel A Owner has provided to the Office of Planning an up-to-date title report evidencing that Parcel A Owner owns fee simple title to Parcel A.

C. Parcel B Owner is the record owner of fee simple title to Parcel B. Parcel B Owner has provided to the Office of Planning an up-to-date title report evidencing that Parcel B Owner owns fee simple title to Parcel B.

D. The Zoning Commission, pursuant to its authority under the Zoning Act, D.C. Code §§ 6-641.01 through 6-641.15 (2001), on February 23, 1990, enacted amendments to the Zoning Regulations in Zoning Commission Order No. 632 (as amended by Zoning Commission Order Nos. 632-A through 632-C) establishing and mapping the Arts District, which amendments constitute the Arts Regulations.

E. The purposes of the Arts District are, among other things, (i) to expand the housing supply in the Arts District; (ii) to encourage development of residential and commercial buildings; (iii) to encourage uses that increase pedestrian activity; (iv) to provide for an increased presence and integration of the arts and related cultural and arts-related support uses; and (v) to encourage the adaptive reuse of older buildings in the area, all consistent with the Comprehensive Plan of the District of Columbia relating to this specific area of Washington, D.C., which purpose is further elaborated in Section 1900.2 of the Arts Regulations.

CONFIDENTIAL LA 877

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016822

F. As an incentive for creating and maintaining preferred uses in the Arts District the Arts Regulations permit combined lot development in accordance with Section 1905 of the Arts Regulations, pursuant to which bonus density, in the form of Gross Floor Area, and the permitted mixture of uses among development sites may be allocated between lots. Section 1905.1(b) of the Arts Regulations provides that the maximum floor area for all uses is to be calculated as if the lots were one lot.

G. Parcel A is located in the ARTS/C-3-A zone district. The C-3-A zone district generally provides for a maximum Floor Area Ratio of 4.0, with no more than 2.5 of such Floor Area Ratio devoted to non-residential uses, and a maximum height of 65 feet. The ARTS/C-3-A zone district provides that, with bonus densities for preferred uses, including without limitation arts and arts-related uses such as a legitimate theater, the total permitted Floor Area Ratio shall be 4.5, and the maximum height of buildings, excluding roof structures, shall be 75 feet.

H. Parcel B is located in the ARTS/C-2-B zone district. The C-2-B zone district generally provides for a maximum Floor Area Ratio of 3.5, with no more than 1.5 of such Floor Area Ratio devoted to non-residential uses, and a maximum height of 65 feet. The ARTS/C-2-B zone district provides that, with bonus densities for preferred uses, the maximum Floor Area Ratio shall be 4.5, and the maximum height of buildings shall be 65 feet. In addition, pursuant to Section 1904.3 of the Arts Regulations, a building that includes 3.0 or more FAR devoted to residential use is entitled to a bonus of 0.5 FAR.

I. Parcel A has a land area of 4,326 square feet, for a total maximum permitted development, exclusive of bonuses provided in the Arts Regulations and Zoning Regulations, of 27,304 (4,326 square feet x 4.0) square feet of Gross Floor Area, no more than 10,815 square feet (2.5 FAR) of which may be devoted to nonresidential uses.. The maximum permitted Gross Floor Area on Parcel A inclusive of bonuses is 4.5 FAR, therefore the maximum permitted development on Parcel A is 19,467 (4,326 square feet x 4.5) square feet of Gross Floor Area.

J. Parcel A Owner has constructed a legitimate theater containing 7,734 square feet of Gross Floor Area devoted to arts and/or arts-related uses on Parcel A (the "Parcel A Improvements"). The Parcel A Improvements have a total FAR of 1.79 (7,734/4,326). Pursuant to Section 1904.2 of the Arts Regulations, the Parcel A Improvements have generated 30,936 square feet of bonus density (the sum of (i) 7,734 square feet times 3.0 under Section 1904.2(b) for use as a legitimate theater, and (ii) 7,734 square feet times 1.0 under Section 1904.2(e) as a pre-1958 building being used as a legitimate theater) which may be allocated in accordance with Chapter 19 of the Zoning Regulations.

K. Parcel B has a land area of 11,320 square feet, for a total maximum permitted development, exclusive of bonuses provided for in the Arts Regulations, of 39,620 (11,320 square feet x 3.5) square feet of Gross Floor Area, no more than 16,980 square feet of which may be devoted to nonresidential uses. Pursuant to Section 1904.1 of the Arts Regulations, bonus density may be used to increase the Gross Floor Area of the Parcel B Improvements up to a Floor Area Ratio of 4.5, or 50,940 square feet (11,320 square feet x 4.5). Parcel B Owner is receiving 33,800 square feet of Gross Floor Area via this Covenant to achieve same. Inclusive of bonus density allocated pursuant to Section 1905.1 of the Arts Regulations, the total maximum

CONFIDENTIAL LA 878

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016823

permitted nonresidential development on Parcel B is 50,780 square feet (16,980 square feet plus 33,800 square feet).

L. Parcel B Owner intends to construct a project on Parcel B, as more fully described in Exhibit C.

M. Pursuant to Section 1905.1 of the Arts Regulations, Parcel A Owner and Parcel B Owner have entered into this Covenant concerning the Combined Lot, whereby Parcel A Owner shall allocate, and Parcel B Owner shall accept, 33,800 square feet of unused bonus density on Parcel A upon recordation of this Covenant, such that the 33,800 square feet of Parcel A Owner's bonus density shall be allocated to, and used on, Parcel B, thereby reducing the development rights on Parcel A by a like amount.

N. As a result the allocation effected by this Covenant, Parcel A Owner has [redacted] square feet of unused bonus density remaining on Parcel A to allocate to other sites.

O. The Combined Lot (i.e. Parcels A and B combined) will have a total lot area of 15,646 square feet. No single building will have an FAR greater than 5.0.

P. Parcel A Owner intends that Parcel A shall be held, sold, transferred, conveyed, used or occupied subject to the covenants and obligations contained in this Covenant, which covenants and obligations shall run with Parcel A and shall be binding upon Parcel A Owner, its successors, mortgagees, transferees and assigns.

Q. Parcel B Owner intends that Parcel B shall be held, sold, transferred, conveyed, used or occupied subject to the covenants and obligations contained in this Covenant, which covenants and obligations shall run with Parcel B and shall be binding upon Parcel B Owner, its successors, mortgagees, transferees and assigns.

R. Parcel A Owner has obtained and delivered to the Office of Planning, to the satisfaction of the Office of Planning, evidence that there is no person or entity with an interest in Parcel A, which interest was recorded prior to the Effective Date of this Covenant, whose consent is required in order for this Covenant to be fully effective other than those signatures which are a part of this Covenant.

S. Parcel B Owner has obtained and delivered to the Office of Planning, to the satisfaction of the Office of Planning, evidence that there is no person or entity with an interest in Parcel B, which interest was recorded prior to the Effective Date of this Covenant, whose consent is required in order for this Covenant to be fully effective other than those signatures which are a part of this Covenant.

COVENANTS

NOW, THEREFORE, in consideration of the foregoing Recitals, which are a material part of this Covenant, and the mutual terms, conditions and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District, Parcel A Owner and Parcel B Owner agree to and do hereby covenant as follows:

CONFIDENTIAL LA 879

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016824

1. Purpose. This Covenant constitutes: (1) a declaration of covenants running in perpetuity with Parcel A and Parcel B, as required by Section 1905.1 of the Arts Regulations, which shall be binding upon Parcel A Owner, as to Parcel A, and Parcel B Owner, as to Parcel B, and all respective successors in interest, mortgagees and assigns of any interest in Parcel A or Parcel B, respectively, and upon the District; (2) an instrument confirming that Parcel A Owner has allocated 33,800 square feet of bonus density from Parcel A to Parcel B; (3) an instrument accomplishing the transfer of said 33,800 square feet of Gross Floor Area from Parcel A to Parcel B and confirming the vesting of said 33,800 square feet of Gross Floor Area in Parcel B; and (4) an instrument confirming that the transfer of said 33,800 square feet of Gross Floor Area from Parcel A to Parcel B reduces the bonus density remaining on Parcel A by said 33,800 square feet, leaving Parcel A with [redacted] square feet of bonus density on Parcel A for transfer to another parcel for development within the Arts District.

2. Recitals. The Recitals hereinabove stated are incorporated by reference into the body of this Covenant as if fully set forth herein.

3. Effective Date. This Covenant shall become effective upon the date of its recordation among the Land Records ("**Effective Date**").

4. Parcel B Owner's Declarations. Parcel B Owner hereby subjects Parcel B to the following affirmative and negative conditions, covenants and restrictions:

4.1 Parcel B Owner has the full, unencumbered legal capacity and authority under the laws of the District of Columbia to enter into this Covenant.

4.2 Parcel B Owner represents and warrants that there are no restrictions or adverse claims of record on the use of or otherwise relating to Parcel B or any other obligation or encumbrance of any kind, the requirements of which have not been waived or subordinated, which would impair, delay, prevent or preclude in any manner whatsoever, now or in the future, the performance by Parcel B Owner of its obligations under this Covenant.

4.3 Parcel B Owner represents and warrants to the District as follows:

a) That any Parcel B Improvements to be constructed on Parcel B constitute "new construction" within the meaning of Section 1900.4 of the Arts Regulations.

b) That, as to Parcel B, Exhibit C attached hereto accurately sets forth the maximum permitted Gross Floor Area for all uses on Parcel B.

c) That the correctness of the computations of square feet of Gross Floor Area to be allocated to Parcel B have been verified in writing by the Zoning Administrator and the Office of Planning as shown on the attached Exhibit D.

4.4 Parcel B Owner agrees to construct no more than 4.5 FAR on Parcel B.

CONFIDENTIAL LA 880

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016825

4.5 Parcel B Owner acknowledges the benefits to and burdens upon it which are conferred and created by this Covenant. Parcel B Owner consents to enforcement solely by the District administratively, at law or at equity, of the restrictions, covenants, obligations and agreements contained herein, and nothing contained herein shall be deemed to vest any rights in any other party. Parcel B Owner also represents and warrants that the remedies set forth in this Covenant are not exclusive and that the District and any agency, department or instrumentality of the District, may pursue other remedies not specifically set forth herein.

4.6 References in this Covenant to "Parcel B Owner" or its "successors" or "assigns" shall be deemed to refer to the party then holding title to Parcel B and/or any improvements thereon. If a party no longer holds title to Parcel B and/or improvements thereon, it shall have no further obligation under this Covenant, except as to any liability which shall have accrued during the time a party held title to Parcel B, and/or improvements thereon. References in this Covenant to agencies, departments or instrumentalities of the District shall be deemed to include agencies, departments or instrumentalities succeeding to the jurisdiction thereof pursuant to the laws of the District.

4.7 It is recognized by the parties hereto that Parcel B Owner is the recipient of 33,800 square feet of bonus density which may or may not be constructed on Parcel B and may be used for any purposes permitted by the Zoning Regulations including residential or non-residential purposes.

5. Parcel A Owner's Declarations. Parcel A Owner hereby subjects Parcel A to the following affirmative and negative conditions, covenants and restrictions:

5.1 Parcel A Owner has the full, unencumbered legal capacity and authority under the laws of the District of Columbia to enter into this Covenant.

5.2 [~~Parcel A Owner represents and warrants that there are no restrictions or adverse claims of record on the use of or otherwise relating to Parcel A or any other obligation or encumbrance of any kind, the requirements of which have not been waived or subordinated, which would impair, delay, prevent or preclude in any manner whatsoever, now or in the future, the performance by Parcel A Owner of its obligations under this Covenant.~~]**Intentionally Deleted.**

5.3 [~~Parcel A Owner represents and warrants to the District as follows:~~]**Intentionally Deleted.**

[~~a) That the correctness of the computations of square feet of Gross Floor Area to be allocated to Parcel B has been verified in writing by the Zoning Administrator and the Office of Planning as shown on the attached Exhibit D.~~]

[~~b) That Parcel A Owner has constructed the Parcel A Improvements on Parcel A, and that as a result of such construction and the unused~~

CONFIDENTIAL LA 881

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016826

~~development rights created thereby on Parcel A, Parcel A Owner shall be entitled to allocate at least 33,800 square feet of Gross Floor Area to Parcel B in accordance with Section 1905 of the Arts Regulations. Upon recordation of this Covenant to effect the allocation of said 33,800 square feet of Gross Floor Area from Parcel A to Parcel B, Parcel A Owner shall have _____ square feet of Gross Floor Area available for allocation from Parcel A to other lots in the Arts District in connection with any subsequent combined lot development transactions.~~]

5.4 [~~Parcel A Owner acknowledges the benefits to and burdens upon it which are conferred and created by this Covenant.~~]Parcel A Owner consents to enforcement solely by the District administratively, at law or at equity, of the restrictions, covenants, obligations and agreements contained herein, and nothing contained herein shall be deemed to vest any rights in any other party. Parcel A Owner also [~~represents and warrants~~]**agrees** that the remedies set forth in this Covenant are not exclusive and that the District and any agency, department or instrumentality of the District, may pursue other remedies not specifically set forth herein.

5.5 [~~References in this Covenant to "Parcel A Owner", or its "successors" or "assigns" shall be deemed to refer to the party or parties then holding title to Parcel A and/or any improvements thereon. If a party no longer holds title to any portion of Parcel A and/or improvements thereon, it shall have no further obligation under this Covenant, except as to any liability which shall have accrued during the time a party held title to any portion of Parcel A and/or improvements thereon. References in this Covenant to agencies, departments or instrumentalities of the District shall be deemed to include agencies, departments or instrumentalities succeeding to the jurisdiction thereof pursuant to the laws of the District.~~]**Intentionally Deleted.**

6. Transfer: Effect of Transfer. Parcel A Owner, Parcel D Owner and the District hereby agree that:

6.1 A total of 33,800 square feet of Gross Floor Area is allocated from Parcel A to Parcel B. The foregoing allocation of 33,800 square feet of Gross Floor Area from Parcel A to Parcel B shall fully and unconditionally vest such Gross Floor Area in Parcel B, and may be utilized on and incorporated into improvements to be constructed on Parcel B as though they were "matter of right". Parcel B Owner shall be entitled to obtain all necessary permits and certificates of occupancy for the construction, use and occupancy of such improvements notwithstanding and independent of any circumstance, condition or development related to Parcel A Owner or Parcel A.

6.2 Nothing in this Covenant shall modify, alter or amend in any way whatsoever the availability or applicability of any other provisions of the Arts Regulations to Parcel A and Parcel B, respectively.

6.3 The Parcel A Owner and the Parcel B Owner acknowledge that either may engage in subsequent combined lot developments. Each Owner agrees that the combined size of the land area and structures included in the instant combined lot development, and

CONFIDENTIAL LA 882

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016827

the amount of residential and commercial uses contained therein, will increase as a result of subsequent combined lot developments. Should any property included in a future combined lot development engage in a subsequent combined lot development, the size of the previous combined lot will also increase in the same manner, and any subsequent combined lot development covenants involving either of the lots in this Covenant shall include in its calculation of minimum required uses, maximum non-residential uses, and maximum permitted density, all of the structures and land area involved in this Covenant plus the area of the land and structures that have been added to this combined lot by virtue of all subsequent combined lot developments that can be traced back to this combined lot development. Parcel A Owner and Parcel B Owner further acknowledge that the affected lots, when combined, must provide the minimum required residential uses, contain no more than the maximum amount of permitted non-residential uses, and comply with the overall applicable density and bulk limitations.

7. Prohibited Liens.

7.1 Parcel A. Parcel A Owner shall use best efforts not to permit any governmental or statutory liens (including tax and mechanics' and materialmen's liens that would take priority over this Covenant) to be filed against Parcel A and the improvements to be constructed on Parcel A, except for real estate taxes and assessments not yet due and payable and liens approved by the District in writing. Parcel A Owner shall use best efforts not to default at any time under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant. If Parcel A Owner is in default under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant, the District may, but has no obligation to, cure such default and shall be entitled to repayment of reasonable expenditures. The use of a "best efforts" standard in this Section 7.1 shall not modify or affect any obligation of Parcel A Owner to perform any obligation otherwise required to be performed under applicable law.

7.2 Parcel B. Parcel B Owner shall use best efforts not to permit any governmental or statutory liens (including tax and mechanics' and materialmen's liens that would take priority over this Covenant) to be filed against Parcel B and the improvements to be constructed on Parcel B, except for real estate taxes and assessments not yet due and payable and liens approved by the District in writing. Parcel B Owner shall use best efforts not to default at any time under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant. If Parcel B Owner is in default under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant, the District may, but has no obligation to, cure such default and shall be entitled to repayment of reasonable expenditures. The use of a "best efforts" standard in this Section 7.2 shall not modify or affect any obligation of Parcel B Owner to perform any obligation otherwise required to be performed under applicable law.

8. Real Covenants/Enforceability. The obligations of Parcel A Owner and Parcel B Owner under this Covenant shall be considered covenants running with Parcel A and Parcel B

CONFIDENTIAL LA 883

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016828

and shall be binding on any successor owner (including but not limited to the purchaser at any foreclosure sale and any mortgagees at such time such mortgagee becomes an owner of Parcel A or Parcel B, and their successors and assigns). References to "Parcel A Owner", "Parcel B Owner", "successor" or "assign" shall be deemed to refer to the party then holding title to Parcel A, Parcel B, and/or any improvements thereof. If a party no longer owns fee title to all or any portion of Parcel A or Parcel B, and/or improvements thereon, it shall have no further obligation under this Covenant with respect to such property of which it no longer owns fee title, except as to any liability which shall have accrued during the time such party owned fee title to said portion of Parcel A, Parcel B, and/or improvements thereon. References in this Covenant to agencies, departments or instrumentalities of the District shall be deemed to include agencies, departments or instrumentalities succeeding to the jurisdiction thereof pursuant to the laws of the District.

9. Payment of Taxes and Other Encumbrances. Parcel A Owner and Parcel B Owner shall use best efforts to pay real estate taxes, any assessments and other public charges for Parcel A and Parcel B, respectively, and the improvements thereon, at any time prior to delinquency; provided, however, that nothing contained herein shall in any way lessen, modify or otherwise affect in any manner whatsoever any current or future exemption that may be available under law to relieve either such lot from payment, in whole or in part, of real estate taxes, assessments or other public charges or the right of the respective lot owners or their respective successors or assigns to pursue the application of any such exemption or appeal any taxes assessed against their respective lots. To the extent possible, all other encumbrances, charges and liens which have legal priority over this Covenant and which have not been subordinated to this Covenant, including prior mortgages and deeds of trust which have not been subordinated to this Covenant, shall be paid when due and shall not be in default. Upon written request by the District, Parcel A Owner and Parcel B Owner, with respect to their respective lots, shall furnish to the District reasonable evidence of payment of these items. The use of a "best efforts" standard in this Section 9 shall not modify or affect any obligation otherwise required to be performed under applicable law.

10. Maintenance – No Waste. Parcel A Owner shall protect and preserve its development and maintain the same in good condition and repair, and shall not commit or permit any waste thereof or thereon.

11. Compliance with Laws. Parcel A Owner and Parcel B Owner shall comply with all District of Columbia laws, ordinances, regulations, covenants, conditions, and restrictions affecting their respective parcels and the projects thereon and shall not commit or (to the extent within their reasonable control) permit any act upon or concerning their respective parcels and the allocation of bonus density and preferred uses in violation of any such laws, ordinances, regulations, covenants, conditions and restrictions.

12. District's Rights to Protect. The District may commence, appear in and defend any action or proceeding which may affect the allocation of the bonus density or the preferred uses or the rights or powers of the District with respect to Parcel A and Parcel B pursuant to this Covenant. If Parcel A Owner and/or Parcel B Owner fail to do any act required under this Covenant, the District, without any obligation to do so, after demand upon the breaching party and without releasing the breaching party from any obligations under this Covenant, may cause

CONFIDENTIAL LA 884

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016829

the act to be performed in such manner and to such extent as the District may deem necessary to protect the allocation of the bonus density or the preferred uses and to put the breaching party in compliance with this Covenant. The District is authorized to enter upon Parcel A and Parcel B for such purposes.

13. [~~Joint and Several Liability. Parcel A Owner's and Parcel B Owner's liability shall be several and not joint and several for the performance of any obligations pursuant to the terms of this Covenant. If there is more than one owner of Parcel A, of Parcel B or of any residential units upon Parcel B (such as in a condominium regime), the liability of each such owner for any obligations pursuant to the terms of this Covenant shall be several and not joint and several.~~]Parcel A Owner and Parcel B Owner shall include in their condominium documents, if any, the nature of uses that must be provided within the particular condominium units and state that such uses are subject to this Covenant. Parcel A Owner and Parcel B Owner shall also provide in any leases of space that the use is subject to the requirements of this Covenant. Consistent with the foregoing, an owner of a parcel or a portion of a parcel (such as a condominium regime) shall be liable for the obligations pursuant to the terms of this Covenant only insofar as they relate to the parcel or portion of a parcel owned by such owner.

14. Non-waiver of Terms and Conditions. The District's failure to require prompt enforcement of any required obligation shall not constitute a waiver of the obligation owed or any subsequent required performance of the obligation. No term or condition of this Covenant may be waived or modified except in accordance with Section 15.

15. Modification, Amendment and Termination. This Covenant shall not be modified or amended except by written instrument approved by the Office of Planning and signed by the parties to this Covenant, it being agreed (a) by Parcel B Owner and Parcel A Owner that each shall act in good faith toward the other and use commercially reasonable efforts to promptly modify, amend and/or restate this Covenant at the request of the other party in the event such modification, amendment and/or restatement becomes necessary due to the development plans of Parcel B Owner or Parcel A Owner or as required by applicable law, and (b) by the parties hereto that, in the event the 33,800 square feet of combined lot development rights being allocated to Parcel B pursuant to this Covenant are not used in connection with the construction of the Parcel B Improvements, then this Covenant (and all of the terms and conditions hereof) shall be rendered null and void and of no further force and effect. If the Parcel D Owner does not use the 33,800 square feet of combined lot development rights, it must comply with the Recordation provisions of § 15.3 below, but is not required to comply with the Modification and Amendment provisions of §§ 15.1 and 15.2 below.

15.1 Modifications and Amendments Consistent With the Arts and Zoning Regulations. Any modification or amendment to this Covenant that is consistent with the provisions of the Arts and Zoning Regulations shall be in a form and content approved in writing by the Office of Attorney General, which approval shall include a finding that such modification or amendment is consistent with the Arts Regulations and Zoning Regulations.

15.2 Modifications and Amendments that are Inconsistent with the Arts and Zoning Regulations and/or Termination. No modification or amendment that is not

CONFIDENTIAL LA 885

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016830

consistent with the Arts Regulations and Zoning Regulation, or termination of this Covenant, shall be effective without the written approval of the Board of Zoning Adjustment after a public hearing on such proposed modification, amendment or termination in accordance with Section 1906 of the Arts Regulations.

15.3 Recordation. Any modification, amendment or termination shall be promptly recorded in the Land Records by Parcel A Owner against the title to Parcel A and by Parcel B Owner against the title to Parcel B, with copies of such recorded instruments to be sent to the Zoning Administrator of the District and the Office of Planning.

16. Effect of Repeal or Amendment of the Arts Regulations. Nothing herein shall restrict or impair the Zoning Commission for the District of Columbia from exercising its legal power to amend or repeal the Arts Regulations or any Zoning Regulation of the District. Nothing contained herein shall prevent Parcel B Owner or Parcel A Owner from challenging, contesting or supporting such repeal or amendment or the Zoning Regulations or seeking relief from the Board of Zoning Adjustment.

17. Default: Remedies. If either Parcel A Owner or Parcel B Owner ("**Defaulting Lot Owner**") fails to comply with the provisions of this Covenant **upon at least thirty (30) days written notice and opportunity to cure**, the District may pursue all enforcement actions authorized in law or in equity. Notwithstanding the foregoing, nothing herein shall deprive the Defaulting Lot Owner of the right to pursue an appeal to the appropriate administrative agency or the courts.

18. Assignment. Any and all assigns or successors in interest of Parcel A or Parcel B shall be bound by this Covenant and all other instruments of Parcel A Owner and Parcel B Owner, as applicable, arising from or related to this Covenant.

19. Insurance. Parcel A Owner shall maintain appropriate hazard insurance on its development, providing replacement cost coverage and insuring against loss by fire and such other risks as are customarily covered by extended coverage endorsement. All such insurance shall be for commercially reasonable limits with companies licensed to sell insurance in the District. If requested, Parcel A Owner shall deliver certificates of insurance or copies of all policies to the District. Nothing herein shall waive or modify the terms and provisions of the Condominium Act, D.C. Code §§ 42-1901.01 *et seq.*

20. Condemnation and Insurance Proceeds. Parcel A Owner shall provide reasonable notice to the District of any condemnation proceeding or loss or damage to their respective developments. The District authorizes Parcel A Owner to make a claim for and enter into any compromise or settlement with respect to any proceeds payable as a result of such condemnation, loss or damage. Parcel A Owner will use reasonable business judgment in determining the allocation of condemnation awards or insurance proceeds, subject to the provisions of any mortgage or deed of trust constituting a lien on Parcel A and the rights of any secured party thereunder. Parcel A Owner agrees to apply insurance proceeds for repair or restoration of its development. Nothing herein shall waive or modify the terms and provisions of the Condominium Act, D.C. Code §§ 42-1901.01 *et seq.*

CONFIDENTIAL LA 886

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016831

21. Exhibits. All exhibits referred to in this Covenant are incorporated in this Covenant in full by this reference and made an integral part of this Covenant. The following constitute the exhibits to this Covenant:

A	–	Legal Description of Parcel A
B	–	Legal Description of Parcel B
C	–	Calculations
D	–	Office of Planning/Zoning Administrator Certification

22. Severability. If any provision of this Covenant or its application to any party or circumstances, other than any provision affecting the allocations of Gross Floor Area contained herein, shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Covenant or the application of such provision to such person or circumstances, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law. If the allocations of Gross Floor Area contained herein are determined to be invalid or unenforceable, this Covenant shall terminate and the parties shall take such action as may be necessary to release this Covenant from the Land Records.

23. Notices. All notices, demands, requests, consents, approvals and other communications which may be or are required to be given hereunder shall be in writing and shall be sent by mailing or delivery as follows:

If to Parcel A Owner:	The Cultural Development Corporation of the District of Columbia 916 G Street, NW Washington, DC 20001 Attention: Anne Corbett
If to Parcel B Owner:	1920 8th Street LLC 4326 8th Street, NW Washington, DC 20011 Attention: Robb LaKritz
With a copy to:	Holland & Knight LLP 2099 Pennsylvania Avenue, N.W. Suite 100 Washington, D.C. 20006-6801 Attention: Christopher H. Collins
If to the District:	Director, Office of Planning 801 N. Capitol Street,

CONFIDENTIAL LA 887

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016832

N.E. Fourth Floor
Washington, D.C. 20002

With a copy to: Office of Attorney General
Chief, Land Use Section
1100 15th Street, N.W.
Suite 800
Washington, D.C. 20005

Any party may change any address for the purposes of this Covenant by giving notice in accordance with this Section 23 and without complying with Section 15 above.

Each notice, demand, request, consent, approval or other communication shall be either (i) sent by registered or certified mail, postage prepaid, or (ii) delivered by hand, and shall be deemed sufficiently given for all purposes hereunder five (5) business days after it shall be mailed or, if delivered by hand, when actually received (or when delivery thereof is refused).

24. Rules of Construction. This Covenant shall be construed so that, whenever applicable, the use of the singular shall include the plural, the use of the plural shall include the singular, and the use of any gender shall be applicable to all genders and shall include corporations, partnerships, limited liability companies, limited partnerships, trusts, and other entities, as applicable.

25. Section Headings. The headings to the various sections have been inserted for convenience of reference only and shall not be used to construe this Covenant.

26. Entire Agreement. This Covenant, including any exhibits and appendices referred to herein, as well as any orders, rules and regulations of the District relating to the subject matter hereof, together with the agreements referred to in the Recitals hereof, contain the entire agreement and understanding among all of the parties with respect to the subject matter of this Covenant, and any prior understandings, agreements, restrictions, promises, warranties, representations, covenants or other undertakings among the parties with respect to the subject matter of this Covenant are hereby revoked.

27. Choice of Law. This Covenant shall be construed and enforced in accordance with and shall be governed by the laws of the District of Columbia (without regard to conflicts of laws principles).

28. Counterparts. This Covenant may be executed in counterparts, each of which shall be deemed an original and all counterparts together shall constitute one and the same covenant.

29. Mortgagee Protection. If the holder of any mortgage, deed of trust or other security instrument encumbering either of Parcel A or Parcel B, or both, notifies the District in writing of the existence of such security instrument, stating the recordation information relating thereto and providing an address to which notices should be sent, (i) the District shall use best efforts to provide such holder with a copy of any notice of default sent to a Defaulting Lot Owner under this Covenant, (ii) such holder shall have the right, but not the obligation, to cure

CONFIDENTIAL LA 888

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016833

such default within the time periods set forth in this Covenant for the cure thereof by the Defaulting Lot Owner; provided, if possession of the respective lot is necessary to cure such default, and such holder shall promptly undertake and diligently pursue measures to obtain possession, such cure period shall be extended for such period of time as shall be reasonably necessary to permit such holder to obtain possession of such lot and cure such default, but in no event shall such cure period be extended for more than six (6) months without the express written authorization of the Office of Planning.

[Signatures on Following Pages]

CONFIDENTIAL

LA 889

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016834

IN WITNESS WHEREOF, the parties hereto have caused this Covenant to be executed, acknowledged and delivered as of the day and year first above written.

WITNESS:	THE CULTURAL DEVELOPMENT CORPORATION OF THE DISTRICT OF COLUMBIA, a _____ corporation
	By:_____ Name:_____ Title:_____

BEFORE ME, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date _____, personally well known (or satisfactorily proven by the oath of credible witnesses) to me to be the person whose name is subscribed to the foregoing and annexed Combined Lot Development Covenant bearing date as of _____, 2008 who being by me first duly sworn, did depose and state that s/he is the _____ of The Cultural Development Corporation of the District of Columbia, a _____corporation, and the duly appointed attorney-in-fact for said corporation in the foregoing and annexed Combined Lot Development Covenant, and that s/he, being duty authorized so to do, executed and delivered the foregoing and annexed instrument in the name and on behalf of said corporation and acknowledged the same to be its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this _____ day of _____ 2008.

_____
Notary Public

[Notarial Seal]

My Commission Expires: _____

WITNESS:	1920 8TH STREET, LLC, a Delaware limited liability company By: 1920 8TH STREET VENTURE, LLC, a Delaware limited liability company
	By:_____ Name:_____ Title:_____

District of Columbia) ss:

BEFORE ME, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date _____ personally well known (or satisfactorily proven by the oath of credible witnesses) to me to be the person whose name is subscribed to the foregoing and annexed Combined Lot Development Covenant bearing date as of _____ 2008 who being by me first duly sworn, did depose and state that s/he is the _____ of 1920 8th Street Venture, LLC, a Delaware limited liability company, _____ of 1920 8th Street, LLC, a Delaware limited liability company and the duly appointed attorney-in-fact for said limited liability company in the foregoing and annexed Combined Lot Development Covenant, and that s/he, being duly authorized so to do, executed and delivered the foregoing and annexed instrument in the name and on behalf of said limited liability company and acknowledged the same to be its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this _____ day of _____ 2008.

_____
Notary Public

[Notarial Seal]

My Commission Expires: _____

CONFIDENTIAL LA 891

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016836

IN WITNESS WHEREOF, the Mayor of the District of Columbia, having first considered and approved the foregoing Combined Lot Development Covenant, has directed the execution thereof in the name of the District of Columbia, by the Secretary of the District of Columbia, who has hereunto set her hand and affixed the seal of the District of Columbia hereto under authority of the Act of Congress entitled "An Act to Relieve the Commissioners of the District of Columbia of Certain Ministerial Duties" approved February 11,1932.

WITNESS:	DISTRICT OF COLUMBIA (a municipal corporation)
	By: _____ Name: _____ Title: Secretary of the District of Columbia
[CORPORATE SEAL]	

DISTRICT OF COLUMBIA, SS:

I, _____ a Notary Public in and for the District of Columbia, do hereby certify that _____, who is personally known to me as the person named as Secretary of the District of Columbia in the foregoing Combined Lot Development Covenant bearing date as of _____ 2008, and hereunto annexed, personally appeared before me in said District and, as Secretary as aforesaid, and by virtue of the authority in her vested, acknowledged the same to be the act and deed of the Mayor of the District of Columbia and that she delivered the same as such.

GIVEN under my hand and seal this _____ day of _____, 2008.

_____
Notary Public, D.C.;

My commission expires: _____

APPROVED AS TO LEGAL SUFFICIENCY:

By:_____
District of Columbia Office of Attorney General

CONFIDENTIAL LA 892

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016837

EXHIBIT A
(Legal Description of Parcel A)

All that certain lot or parcel of land, together with all improvements thereon, located and being in the City of Washington in the District of Columbia, and being more particularly described as follows:

[INSERT LEGAL DESCRIPTION FOR PARCEL A]

CONFIDENTIAL

LA 893

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016838

EXHIBIT B

Legal Description of Parcel B

All that certain lot or parcel of land, together with all improvements thereon, situate and lying in the District of Columbia, and more particularly described as follows:

[INSERT LEGAL DESCRIPTION FOR PARCEL B]

CONFIDENTIAL LA 894

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016839

EXHIBIT C

Insert Parcel B Calculations

A. Parcel B. Parcel B Owner hereby represents and warrants to the District that, as of the date of this Covenant, the Parcel B Improvements shall not exceed the following and that the following figures are correct and accurate:

1.	Maximum permitted Gross Floor Area for all uses on the Parcel B	

CONFIDENTIAL

LA 895

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016840

EXHIBIT D

Insert Office of Planning/Zoning Administrator Certification

#5336462_v2

CONFIDENTIAL

LA 896

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016841

From: Wayne Dickson <wayne@blakedickson.com>
Sent: Wednesday, January 28, 2009 12:03 PM
To: Josh Adler <josh@lakritzadler.com>
Cc: Jennifer Felix <jenncfelix@hotmail.com>
Subject: Re: Listing Agreement

Josh,
Thanks for your reply. Being a landlord myself I greatly appreciate your positions stated below. We are OK with commission payment coming to us once the Tenant has paid first months rent. We are OK with 30-day termination notice.

It is our opinion, based on lots of experience, that to limit co-pay to 5% is not a good idea. Why risk having a broker block your building from consideration for one percent?

Our position remains 6% for co-pay and 4% in no other broker is involved. We must also find a solution for refuse, even if that means you must give up a $40,000.00 parking space.

Concerning 1920 8th Street. I'll get back to you today on that.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 26, 2009, at 5:45 PM, Josh Adler wrote:

> Wayne,
>
> We have not finished a detailed review of your proposed listing agreement yet. Typically we reject brokerage terms that include any payments of lease commission prior to our receipt of initial rent payments, sale commission more than 5% co-op and 3% direct on commercial properties, and termination periods of longer than 30 day notice. These things are always in the initial listing agreements, and they always get taken out.
>
> Provided that we terminate KLNB this week, there would be a 30 day notice period for them, but I assume we could get you started right away.
>
> Also, we are very, very intrigued by your potential tenant/buyer for our land option/ground lease at 1920 8th Street, the 8th & U/Florida lot where we can build up to 50,000 s.f. of new office, retail or residential. We can build-to-suit for sale or lease, or just sell them our option and let them build with or without us as the development manager. Can we do some kind of limited agreement with you (not a general exclusive) so you can put that site in front of them right a way and get some feedback ASAP? There is not currently any broker representing the site, but I do not think we are ready to commit to an exclusive listing there as there are a wide range of potential development options.
>
> I will forward you more detail on 1920 8th Street now.
>
> Thanks,

Josh

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Friday, January 23, 2009 6:16 PM
To: josh@lakritzadler.com; robb@lakritzadler.com
Cc: Gil Blankespoor; Jennifer Felix
Subject: Listing Agreement

Josh & Robb,
Here is our standard listing agreement. We understand your primary intent is to sell the retail condos; this document addresses that.
Jennifer and I look forward to working with you. I assure you our best and most energetic efforts.

From: Josh Adler <josh@lakritzadler.com>
Sent: Wednesday, January 28, 2009 1:29 PM
To: 'Wayne Dickson' <wayne@blakedickson.com>
Cc: 'Jennifer Felix' <jenncfelix@hotmail.com>
Subject: RE: Listing Agreement

KLNB has thirty day notice – any problem getting you started before that period runs out?

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Wednesday, January 28, 2009 12:03 PM
To: Josh Adler
Cc: Jennifer Felix
Subject: Re: Listing Agreement

Josh,
Thanks for your reply. Being a landlord myself I greatly appreciate your positions stated below. We are OK with commission payment coming to us once the Tenant has paid first months rent. We are OK with 30-day termination notice.

It is our opinion, based on lots of experience, that to limit co-pay to 5% is not a good idea. Why risk having a broker block your building from consideration for one percent?

Our position remains 6% for co-pay and 4% in no other broker is involved. We must also find a solution for refuse, even if that means you must give up a $40,000.00 parking space.

Concerning 1920 8th Street. I'll get back to you today on that.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 26, 2009, at 5:45 PM, Josh Adler wrote:

Wayne,

We have not finished a detailed review of your proposed listing agreement yet. Typically we reject brokerage terms that include any payments of lease commission prior to our receipt of initial rent payments, sale commission more than 5% co-op and 3% direct on commercial properties, and termination periods of longer than 30 day notice. These things are always in the initial listing agreements, and they always get taken out.

Provided that we terminate KLNB this week, there would be a 30 day notice period for them, but I assume we could get you started right away.

Also, we are very, very intrigued by your potential tenant/buyer for our land option/ground lease at 1920 8th Street, the 8th & U/Florida lot where we can build up to 50,000 s.f. of new office, retail or residential. We can build-to-suit for sale or

lease, or just sell them our option and let them build with or without us as the development manager. Can we do some kind of limited agreement with you (not a general exclusive) so you can put that site in front of them right a way and get some feedback ASAP? There is not currently any broker representing the site, but I do not think we are ready to commit to an exclusive listing there as there are a wide range of potential development options.

I will forward you more detail on 1920 8th Street now.

Thanks,

Josh

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Friday, January 23, 2009 6:16 PM
To: josh@lakritzadler.com; robb@lakritzadler.com
Cc: Gil Blankespoor; Jennifer Felix
Subject: Listing Agreement

Josh & Robb,
Here is our standard listing agreement. We understand your primary intent is to sell the retail condos; this document addresses that.
Jennifer and I look forward to working with you. I assure you our best and most energetic efforts.

From: Wayne Dickson <wayne@blakedickson.com>
Sent: Wednesday, January 28, 2009 1:36 PM
To: Josh Adler <josh@lakritzadler.com>
Cc: 'Jennifer Felix' <jenncfelix@hotmail.com>
Subject: Re: Listing Agreement

No Problem whatever.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 28, 2009, at 1:29 PM, Josh Adler wrote:

KLNB has thirty day notice – any problem getting you started before that period runs out?

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Wednesday, January 28, 2009 12:03 PM
To: Josh Adler
Cc: Jennifer Felix
Subject: Re: Listing Agreement

Josh,
Thanks for your reply. Being a landlord myself I greatly appreciate your positions stated below. We are OK with commission payment coming to us once the Tenant has paid first months rent. We are OK with 30-day termination notice.

It is our opinion, based on lots of experience, that to limit co-pay to 5% is not a good idea. Why risk having a broker block your building from consideration for one percent?

Our position remains 6% for co-pay and 4% in no other broker is involved. We must also find a solution for refuse, even if that means you must give up a $40,000.00 parking space.

Concerning 1920 8th Street. I'll get back to you today on that.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 26, 2009, at 5:45 PM, Josh Adler wrote:

Wayne,

We have not finished a detailed review of your proposed listing agreement yet. Typically we reject brokerage terms that include any payments of lease commission prior to our receipt of initial rent payments, sale commission more than 5% co-op and 3% direct on commercial properties, and termination periods of longer than 30 day notice. These things are always in the initial listing agreements, and they always get taken out.

Provided that we terminate KLNB this week, there would be a 30 day notice period for them, but I assume we could get you started right away.

Also, we are very, very intrigued by your potential tenant/buyer for our land option/ground lease at 1920 8th Street, the 8th & U/Florida lot where we can build up to 50,000 s.f. of new office, retail or residential. We can build-to-suit for sale or lease, or just sell them our option and let them build with or without us as the development manager. Can we do some kind of limited agreement with you (not a general exclusive) so you can put that site in front of them right a way and get some feedback ASAP? There is not currently any broker representing the site, but I do not think we are ready to commit to an exclusive listing there as there are a wide range of potential development options.

I will forward you more detail on 1920 8th Street now.

Thanks,

Josh

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Friday, January 23, 2009 6:16 PM
To: josh@lakritzadler.com; robb@lakritzadler.com
Cc: Gil Blankespoor; Jennifer Felix
Subject: Listing Agreement

Josh & Robb,
Here is our standard listing agreement. We understand your primary intent is to sell the retail condos; this document addresses that.
Jennifer and I look forward to working with you. I assure you our best and most energetic efforts.

From: Wayne Dickson <wayne@blakedickson.com>
Sent: Wednesday, January 28, 2009 4:20 PM
To: Josh Adler <josh@lakritzadler.com>
Cc: 'Jennifer Felix' <jenncfelix@hotmail.com>
Subject: Re: Listing Agreement

Let me know what you decide.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 28, 2009, at 1:29 PM, Josh Adler wrote:

KLNB has thirty day notice – any problem getting you started before that period runs out?

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Wednesday, January 28, 2009 12:03 PM
To: Josh Adler
Cc: Jennifer Felix
Subject: Re: Listing Agreement

Josh,
Thanks for your reply. Being a landlord myself I greatly appreciate your positions stated below. We are OK with commission payment coming to us once the Tenant has paid first months rent. We are OK with 30-day termination notice.

It is our opinion, based on lots of experience, that to limit co-pay to 5% is not a good idea. Why risk having a broker block your building from consideration for one percent?

Our position remains 6% for co-pay and 4% in no other broker is involved. We must also find a solution for refuse, even if that means you must give up a $40,000.00 parking space.

Concerning 1920 8th Street. I'll get back to you today on that.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 26, 2009, at 5:45 PM, Josh Adler wrote:

Wayne,

We have not finished a detailed review of your proposed listing agreement yet. Typically we reject brokerage terms that include any payments of lease commission prior to our receipt of initial rent payments, sale commission more than 5% co-op and 3% direct on commercial properties, and termination periods of longer than 30 day notice. These things are always in the initial listing agreements, and they always get taken out.

Provided that we terminate KLNB this week, there would be a 30 day notice period for them, but I assume we could get you started right away.

Also, we are very, very intrigued by your potential tenant/buyer for our land option/ground lease at 1920 8th Street, the 8th & U/Florida lot where we can build up to 50,000 s.f. of new office, retail or residential. We can build-to-suit for sale or lease, or just sell them our option and let them build with or without us as the development manager. Can we do some kind of limited agreement with you (not a general exclusive) so you can put that site in front of them right a way and get some feedback ASAP? There is not currently any broker representing the site, but I do not think we are ready to commit to an exclusive listing there as there are a wide range of potential development options.

I will forward you more detail on 1920 8th Street now.

Thanks,

Josh

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Friday, January 23, 2009 6:16 PM
To: josh@lakritzadler.com; robb@lakritzadler.com
Cc: Gil Blankespoor; Jennifer Felix
Subject: Listing Agreement

Josh & Robb,
Here is our standard listing agreement. We understand your primary intent is to sell the retail condos; this document addresses that.
Jennifer and I look forward to working with you. I assure you our best and most energetic efforts.

From: Josh Adler <josh@lakritzadler.com>
Sent: Wednesday, January 28, 2009 6:11 PM
To: 'Brian Friedman' <bf@Friedman-Capital.com>
Subject: 1920 8th St
Attach: 1920 8th St NW Plat.pdf; Florida Ave Metro Sites w Metro Entrance.jpg; 1920 8th NPV.xls; 1920 8th street standalone rendering 12-17-07.jpg; Copy of 1920 8th Street NW Unit Analysis 02-14-06 (2).xls

---

Brian,

Attached is the plat and rendering for a by-right office building at 1920 8th Street that we discussed. This is just off the corner of 8th & U Street/Florida Ave, two blocks from two Metro entrances. The current plans call for a 47,600 SF office building, five stories, thus a footprint of about 9,520 SF. We show about 26 parking spaces in a "tuckunder" type garage that would save a lot of construction cost versus doing a true underground garage, but both are options. Under Arts overlay guidelines, site allows up to potentially up to 4.5 FAR of commercial or 5.0 FAR of residential space, or at least 50,940 square feet, height limit 65' (You could add additional non-FAR private penthouse space above 65', per our Moderno project) Zoning is C2B Arts Overlay. Residential lot coverage limit is 80%, no limit on commercial. We have a source for the transferrable arts credits if needed. Lot size is 11,320 SF.

Before this office plan, we had Eric Colbert do a residential plan for the site, and I've still got those conceptual plans and yields somewhere around here. He was able to get about 63 units by-right with fairly large unit sizes. We could get closer to 80 units with a lower ratio of parking spaces to units. Current parking requirement is one space per three units, but the city is repealing parking minimums for residential projects near Metro in the next year. We took the plan to the historic board, and they had no problem with full height and mass on the site. I'm attaching to this email the one file I found easily from that time – the Colbert plan unit and yield analysis.

The other thing to know is that our site abuts several vacant lots owned by Metro, and while those are currently preliminarily contracted to another developer, we know that developer is going to fail to close eventually, and the Metro lots will come back around. If they do close, they will need to buy our lot to be able to build on the Metro lots, because of the location of the tunnel under the Metro lots, but not under out lot.

I'm also attaching a Google map showing the immediate surrounding area. Our site is marked "8th Street Lot" and shaded. The adjacent Metro lot to north is about 8,600 SF.

We will consider selling our ground lease for a one time payment. We're open to other proposals, but that would be our preference. There's an NPV calculation table attached that shows net value of ground lease today depending on assumption about current land value and holding time, but we're very flexible on this valuation – we'd like to make a deal happen on this site, one way or another. As noted below, the land owner's unencumbered fee interest is subordinated to the ground lease developer's lenders, which should significantly reduce cash requirements to build here. And the ground rent payments are significantly lower than interest cost for financing the purchase of the land up front.

Key Ground Lease Terms:

The property is a Delaware Limited Liability Company known as 1920 8th Street, LLC, which holds a ground lease and purchase option ("Ground Lease") to an approximately 11,320 square foot vacant lot known as Square 393, Lot 46, also known as 1916-1930 8th Street, NW, Washington, DC, zoned C-2-B Arts Overlay.

The Ground Lease contains the following essential terms:

- Medal, Inc., as Landlord and 1920 8th Street, LLC, as Tenant.
- Commences August 3, 2007, with a one year base term and nine one-year renewal options
- Ground rent of $225,000/year in the first year, $150,000/year for renewal terms 1-4, and $200,000/year for renewal terms 5-9.
- Purchase option exercisable at any time during base term and renewals. Exercise price of $4,800,000 in the base term, increasing by 1.5% in each of the first three renewal terms and then remaining fixed at $5,019,256.20 for the remainder of the renewal terms.
- $100,000 of ground rent, once paid, credited toward the purchase option in the base term and in each of the first two renewal terms, with 100% of ground rent paid following the second renewal term and in

every renewal term thereafter credited toward the option price. Therefore the purchase option balance due at the end of the last renewal term (that is, on August 3, 2017) shall be $3,419,256.20.

- A one time fee of $175,000 payable to Landlord for resubordination of Landlord's fee interest in land to Tenant's permanent financing lender (if such lender is different from Tenant's construction lender), to be paid upon the sooner of: 1) resubordination of Landlord fee interest to new lender following substantial completion of project, or 2) upon exercise of purchase option.
- Landlord is obliged under the ground lease to subordinate its unencumbered fee interest in the Property to Tenant's Construction Lender (and subsequent lenders), meaning that Tenant has full use of the land value of the Property as collateral to secure its construction financing.
- Lease is transferrable and assignable without consent of Landlord.

Thanks,

Josh Adler

LAKRITZ ADLER

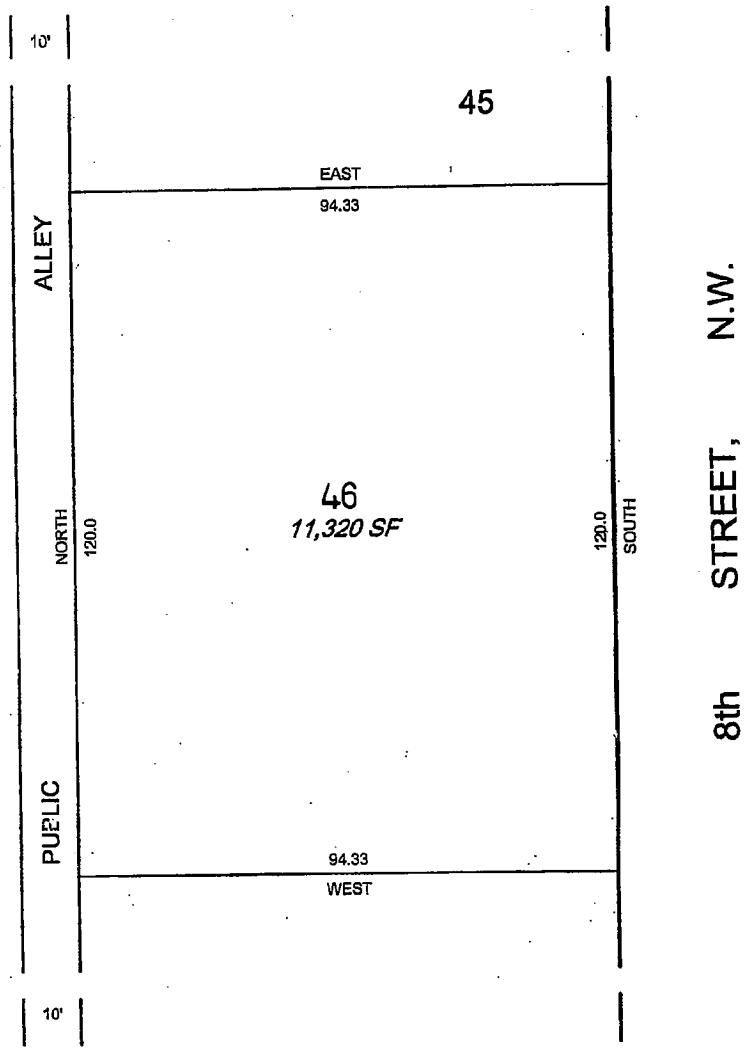
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 016858

CONFIDENTIAL

LA 907

SUBDIVISION
SQUARE 393



U Street Northwest
U St Metro Entrance
Metro Parcel 1
Metro Parcel 2
8th St Parcel
Metro Parcel 3
Parking Lot
Westminster Street Northwest
Google

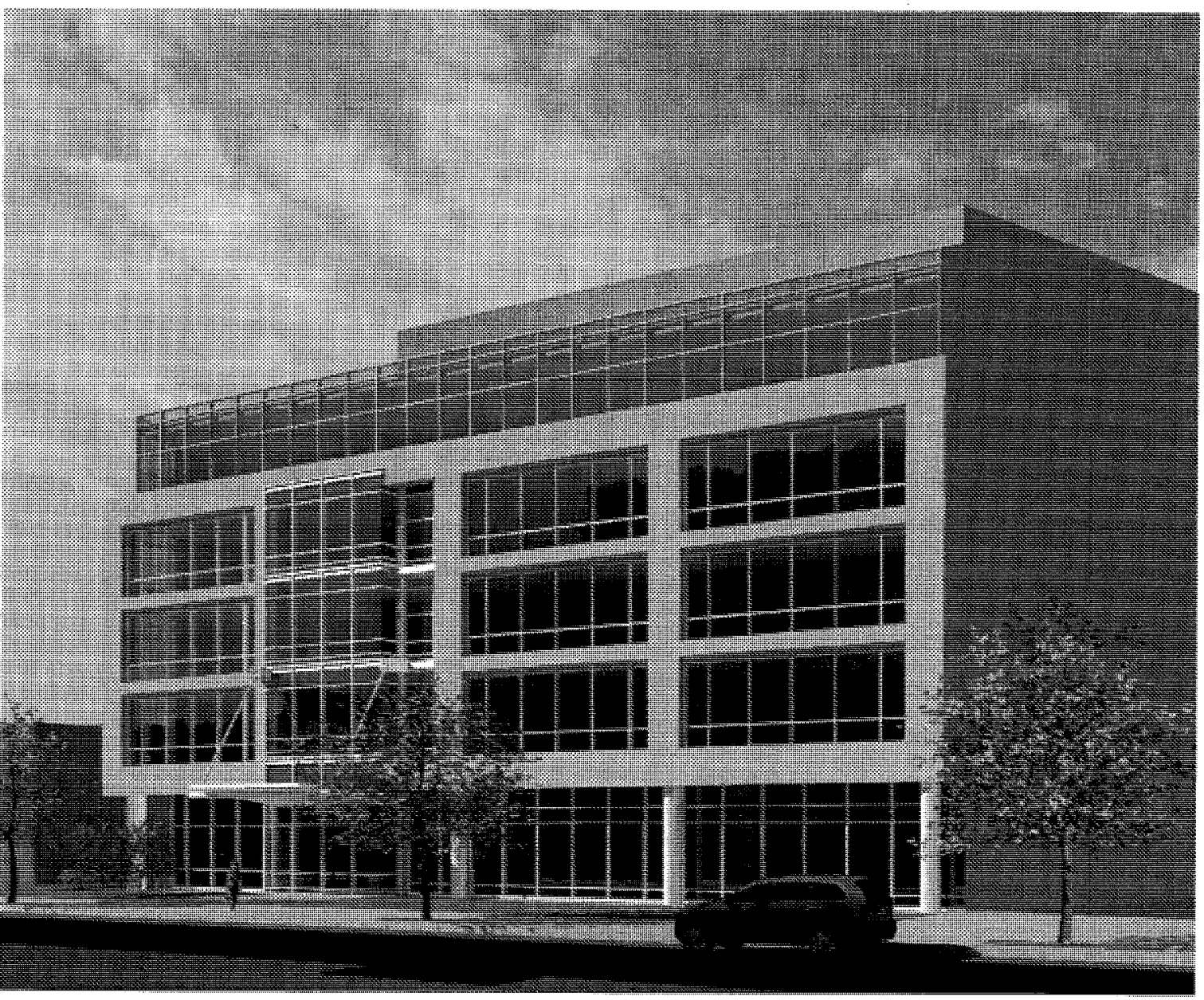
FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G
1			Year	1	2	3	4
2	**Effective Discount Rate:**	**14.87%**	Year Ending in August of...	2008	2009	2010	2011
3	Debt Rate	8%	Ground Lease Payments (as of Year End)	*Pre-Paid*	$ 150,000.00	$ 150,000.00	$ 150,000.00
4	Equity Rate	20%	Accumulated Toward Option	$ 100,000.00	$ 200,000.00	$ 300,000.00	$ 450,000.00
5			Option Price at Year End - 1 day	$ 4,875,000.00	$ 4,847,000.00	$ 4,820,080.00	$ 4,744,256.20
6			NPV in Aug 08 if Option Exercised this Year	$ 4,875,000.00	$3,803,857.05	$3,424,242.61	$3,067,984.19
7			(Assume rent paid at year start, option at year end)				
8			Ground Lease Assignment Fee (Paid Aug 2008)	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00
9			Effective Purchase Price	$ 8,375,000.00	$ 7,303,857.05	$ 6,924,242.61	$ 6,567,984.19
10			Potental Floor Area at 4.5 FAR (SF)	50940	50940	50940	50940
11			Effective Price per FAR-foot	$ 164.41	$ 143.38	$ 135.93	$ 128.94
12		2008 Value/FAR-ft					
13		$ 120.00	Property Market Value at Year End, starting at X/FAR-ft	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14			Net Land Equity at Assignment (Replaces Cash Equity)	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15			Percentage Land Value as Cash	57.26%	57.26%	57.26%	57.26%
16			Percentage Land Value as Debt (i.e., "free" equity)	42.74%	42.74%	42.74%	42.74%
17			Debt Rate x Debt Share of Land Equity	3.42%	3.42%	3.42%	3.42%
18			Equity Rate x Cash Share of Land Equity	11.45%	11.45%	11.45%	11.45%
19			Effective Discount Rate (average cost of capital)	14.87%	14.87%	14.87%	14.87%

WMATA-INV 016862

FOIA CONFIDENTIAL TREATMENT REQUESTED

	H	I	J	K	L	M
1	5	6	7	8	9	10
2	2012	2013	2014	2015	2016	2017
3	$ 150,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00	$ 200,000.00
4	$ 600,000.00	$ 800,000.00	$ 1,000,000.00	$ 1,200,000.00	$ 1,400,000.00	$ 1,600,000.00
5	$ 4,594,256.20	$ 4,394,256.20	$ 4,194,256.20	$ 3,994,256.20	$ 3,794,256.20	$ 3,594,256.20
6	$2,726,396.98	$2,441,975.74	$2,205,644.12	$2,009,717.67	$1,847,695.65	$1,714,083.29
7						
8	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	$ 3,500,000.00	**$ 3,500,000.00**
9	$ 6,226,396.98	$ 5,941,975.74	$ 5,705,644.12	$ 5,509,717.67	$ 5,347,695.65	$ 5,214,083.29
10	50940	50940	50940	50940	50940	50940
11	$ 122.23	$ 116.65	$ 112.01	$ 108.16	$ 104.98	$ 102.36
12						
13	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00	$ 6,112,800.00
14	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00	$ 2,612,800.00
15	57.26%	57.26%	57.26%	57.26%	57.26%	57.26%
16	42.74%	42.74%	42.74%	42.74%	42.74%	42.74%
17	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%
18	11.45%	11.45%	11.45%	11.45%	11.45%	11.45%
19	**14.87%**	14.87%	14.87%	14.87%	14.87%	14.87%



FOIA CONFIDENTIAL TREATMENT REQUESTED

1920 8th STREET NW
UNIT ANALYSIS
2/14/2006

FLOOR	FAR GSF	NON-FAR GSF	TOTAL GSF	INDOOR RESIDENTIAL GSF		UNIT TYPE / NET SELLABLE SQUARE FEET								
						Unit Number								
						1	2	3	4	5	6	7	8	9
P2	---	11320	11320	---										
P1	---	11320	11320	---										
CELLAR	---	7923	7923	7923	Type	2BR	1BR	1BR/Den	Eff	1 BR/Den	1BR/Den	1BR	1BR	---
					Indoor Area	1,032	785	843	408	841	829	733	707	---
					Outdoor Area	130	96	105	49	ma	---	---	---	---
					Total Area	1,162	881	948	457	841	829	733	707	---
1ST	8256	80	8336	8336	Type	1BR/Den	1BR	1BR	1BR/Den	Eff	1BR	1BR	1BR	1BR/ Den
					Indoor Area	880	733	785	843	401	628	829	722	829
					Outdoor Area	---	---	---	---	---	---	---	---	---
					Total Area	880	733	785	843	401	628	829	722	829
2ND	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
					Indoor Area	881	733	785	880	859	809	829	765	722
					Outdoor Area	48	48	48	48	48	51	---	---	---
					Total Area	929	781	833	928	907	860	829	765	722
3RD	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
					Indoor Area	881	733	785	880	859	809	829	765	722
					Outdoor Area	48	48	48	48	48	51	---	---	---
					Total Area	929	781	833	928	907	860	829	765	722
4TH	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
					Indoor Area	881	733	785	880	859	809	829	765	722
					Outdoor Area	48	48	48	48	48	51	---	---	---
					Total Area	929	781	833	928	907	860	829	765	722
5TH	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
					Indoor Area	881	733	785	880	859	809	829	765	722
					Outdoor Area	48	48	48	48	48	51	---	---	---
					Total Area	929	781	833	928	907	860	829	765	722
6TH	7086	428	7514	7216	Type	2BR/Den	2BR/Den	1BR	2BR/Den	2BR/Den	1BR	---	---	---
					Indoor Area	1,118	1,177	785	1,232	1,259	744	---	---	---
					Outdoor Area	28	96	48	48	51	---	---	---	---
					Total Area (6th)	1,146	1,273	833	1,280	1,310	744	---	---	---
PENTHOUSE	---	1958	1958	---	Indoor Area	215	326	296	224	252	173	---	---	---
					Outdoor Area	1041	549	373	866	1,000	790	---	---	---
					Total Area (Penthouse)	1,256	875	669	1,090	1,252	963	---	---	---

CONFIDENTIAL

WMATA-INV 016867

FOIA CONFIDENTIAL TREATMENT REQUESTED

	P	Q	R	S	T	U	V	W	X	Y	Z
1											
2											
3											
4											
5		TOTAL INDOOR NSF	TOTAL OUTOOR NSF	TOTAL NSF	UNIT TYPE BREAKDOWN						
6											
7	10				Eff	1BR	1BR/Den	1BR/PH	2BR	2BR/Den/PH	TOTAL
8											
9											
10	---										
11	---	6,178									
12	---		380		1	3	3		1	---	8
13	---			6,558							
14											
15	---										
16		6,650									
17			---		1	5	3		---	---	9
18				6,650							
19											
20	1BR/Den										
21	865	8,128									
22	---		291		---	3	7		---	---	10
23	865			8,419							
24											
25	1BR/Den										
26	865	8,128									
27	---		291		---	3	7		---	---	10
28	865			8,419							
29											
30	1BR/Den										
31	865	8,128									
32	---		291		---	3	7		---	---	10
33	865			8,419							
34											
35	1BR/Den										
36	824	8,087									
37	39		330		---	3	7		---	---	10
38	863			8,417							
39											
40	---										
41	---	6,315									
42	---		271		---	---	---	2	---	4	6
43	---			6,586							
44	---	1,486									
45	---		4,619								
46	---			6,105							

CONFIDENTIAL

WMATA-INV 016868

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
47						**Total Indoor Area (6th+PH)**	1333	1503	1081	1456	1511	917			
48						**Total Outdoor Area (6th+PH)**	1069	645	421	914	1051	790			
49						**Total Area (6th+PH)**	**2,402**	**2,148**	**1,502**	**2,370**	**2,562**	**1,707**			
50	**TOTAL**	**51,046**	**34,949**	**85,995**	**59,875**										
51															
52															
53															
54	REC. SPACE AT LOBBY =				823										
55	REC. SPACE AT 6TH FLOOR ROOF =				1721										
56	REC. SPACE AT MAIN ROOF =				0										
57	**TOTAL REC. SPACE**				**2544**										
58	RES. REC. SPACE REQ'D =				8981										
59	MAX. PENTHOUSE AREA =				4188.4										
60															
61															

WMATA-INV 016869

FOIA CONFIDENTIAL TREATMENT REQUESTED

	P	Q	R	S	T	U	V	W	X	Y	Z
47											
48											
49											
50		53,100	6,473	59,573	2	20	34	2	1	4	63
51					3.17%	31.75%	53.97%	3.17%	1.59%	6.35%	
52											
53											
54											
55											
56											
57											
58											
59											
60											
61											

WMATA-INV 016870

From: Brian Friedman [bf@Friedman-Capital.com]
Sent: Wednesday, January 28, 2009 6:12:53 PM
To: Josh Adler
Subject: Read: 1920 8th St

Your message

To: Brian Friedman
Subject: 1920 8th St
Sent: Wed, 28 Jan 2009 18:11:15 -0500

was read on Wed, 28 Jan 2009 18:12:53 -0500

From: Brian Friedman <bf@Friedman-Capital.com>
Sent: Wednesday, January 28, 2009 6:13 PM
To: josh@lakritzadler.com
Subject: Re: 1920 8th St

Thank u send argus allegro please

From: Josh Adler
To: Brian Friedman
Sent: Wed Jan 28 18:11:15 2009
Subject: 1920 8th St

Brian,

Attached is the plat and rendering for a by-right office building at 1920 8th Street that we discussed. This is just off the corner of 8th & U Street/Florida Ave, two blocks from two Metro entrances. The current plans call for a 47,600 SF office building, five stories, thus a footprint of about 9,520 SF. We show about 26 parking spaces in a "tuckunder" type garage that would save a lot of construction cost versus doing a true underground garage, but both are options. Under Arts overlay guidelines, site allows up to potentially up to 4.5 FAR of commercial or 5.0 FAR of residential space, or at least 50,940 square feet, height limit 65' (You could add additional non-FAR private penthouse space above 65', per our Moderno project) Zoning is C2B Arts Overlay. Residential lot coverage limit is 80%, no limit on commercial. We have a source for the transferrable arts credits if needed. Lot size is 11,320 SF.

Before this office plan, we had Eric Colbert do a residential plan for the site, and I've still got those conceptual plans and yields somewhere around here. He was able to get about 63 units by-right with fairly large unit sizes. We could get closer to 80 units with a lower ratio of parking spaces to units. Current parking requirement is one space per three units, but the city is repealing parking minimums for residential projects near Metro in the next year. We took the plan to the historic board, and they had no problem with full height and mass on the site. I'm attaching to this email the one file I found easily from that time – the Colbert plan unit and yield analysis.

The other thing to know is that our site abuts several vacant lots owned by Metro, and while those are currently preliminarily contracted to another developer, we know that developer is going to fail to close eventually, and the Metro lots will come back around. If they do close, they will need to buy our lot to be able to build on the Metro lots, because of the location of the tunnel under the Metro lots, but not under out lot.

I'm also attaching a Google map showing the immediate surrounding area. Our site is marked "8th Street Lot" and shaded. The adjacent Metro lot to north is about 8,600 SF.

We will consider selling our ground lease for a one time payment. We're open to other proposals, but that would be our preference. There's an NPV calculation table attached that shows net value of ground lease today depending on assumption about current land value and holding time, but we're very flexible on this valuation – we'd like to make a deal happen on this site, one way or another. As noted below, the land owner's unencumbered fee interest is subordinated to the ground lease developer's lenders, which should significantly reduce cash requirements to build here. And the ground rent payments are significantly lower than interest cost for financing the purchase of the land up front.

Key Ground Lease Terms:

The property is a Delaware Limited Liability Company known as 1920 8th Street, LLC, which holds a ground lease and purchase option ("Ground Lease") to an approximately 11,320 square foot vacant lot known as Square 393, Lot 46, also known as 1916-1930 8th Street, NW, Washington, DC, zoned C-2-B Arts Overlay.

The Ground Lease contains the following essential terms:

- Medal, Inc., as Landlord and 1920 8th Street, LLC, as Tenant.
- Commences August 3, 2007, with a one year base term and nine one-year renewal options
- Ground rent of $225,000/year in the first year, $150,000/year for renewal terms 1-4, and $200,000/year for renewal terms 5-9.
- Purchase option exercisable at any time during base term and renewals. Exercise price of $4,800,000 in

the base term, increasing by 1.5% in each of the first three renewal terms and then remaining fixed at $5,019,256.20 for the remainder of the renewal terms.

- $100,000 of ground rent, once paid, credited toward the purchase option in the base term and in each of the first two renewal terms, with 100% of ground rent paid following the second renewal term and in every renewal term thereafter credited toward the option price. Therefore the purchase option balance due at the end of the last renewal term (that is, on August 3, 2017) shall be $3,419,256.20.
- A one time fee of $175,000 payable to Landlord for resubordination of Landlord's fee interest in land to Tenant's permanent financing lender (if such lender is different from Tenant's construction lender), to be paid upon the sooner of: 1) resubordination of Landlord fee interest to new lender following substantial completion of project, or 2) upon exercise of purchase option.
- Landlord is obliged under the ground lease to subordinate its unencumbered fee interest in the Property to Tenant's Construction Lender (and subsequent lenders), meaning that Tenant has full use of the land value of the Property as collateral to secure its construction financing.
- Lease is transferrable and assignable without consent of Landlord.

Thanks,

Josh Adler

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Wednesday, January 28, 2009 6:49 PM
To: 'Wayne Dickson' <wayne@blakedickson.com>
Cc: 'Jennifer Felix' <jenncfelix@hotmail.com>
Subject: RE: Listing Agreement

We are going to proceed with you – I need to update your listing form accordingly. We're OK with 6/4 commission on sale.

Thoughts on 1920 8th?

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Wednesday, January 28, 2009 4:20 PM
To: Josh Adler
Cc: 'Jennifer Felix'
Subject: Re: Listing Agreement

Let me know what you decide.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 28, 2009, at 1:29 PM, Josh Adler wrote:

KLNB has thirty day notice – any problem getting you started before that period runs out?

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Wednesday, January 28, 2009 12:03 PM
To: Josh Adler
Cc: Jennifer Felix
Subject: Re: Listing Agreement

Josh,
Thanks for your reply. Being a landlord myself I greatly appreciate your positions stated below. We are OK with commission payment coming to us once the Tenant has paid first months rent. We are OK with 30-day termination notice.

It is our opinion, based on lots of experience, that to limit co-pay to 5% is not a good idea. Why risk having a broker block your building from consideration for one percent?

Our position remains 6% for co-pay and 4% in no other broker is involved. We must also find a solution for refuse, even if that means you must give up a $40,000.00 parking space.

Concerning 1920 8th Street. I'll get back to you today on that.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000

On Jan 26, 2009, at 5:45 PM, Josh Adler wrote:

Wayne,

We have not finished a detailed review of your proposed listing agreement yet. Typically we reject brokerage terms that include any payments of lease commission prior to our receipt of initial rent payments, sale commission more than 5% co-op and 3% direct on commercial properties, and termination periods of longer than 30 day notice. These things are always in the initial listing agreements, and they always get taken out.

Provided that we terminate KLNB this week, there would be a 30 day notice period for them, but I assume we could get you started right away.

Also, we are very, very intrigued by your potential tenant/buyer for our land option/ground lease at 1920 8th Street, the 8th & U/Florida lot where we can build up to 50,000 s.f. of new office, retail or residential. We can build-to-suit for sale or lease, or just sell them our option and let them build with or without us as the development manager. Can we do some kind of limited agreement with you (not a general exclusive) so you can put that site in front of them right a way and get some feedback ASAP? There is not currently any broker representing the site, but I do not think we are ready to commit to an exclusive listing there as there are a wide range of potential development options.

I will forward you more detail on 1920 8th Street now.

Thanks,

Josh

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Friday, January 23, 2009 6:16 PM
To: josh@lakritzadler.com; robb@lakritzadler.com
Cc: Gil Blankespoor; Jennifer Felix
Subject: Listing Agreement

Josh & Robb,
Here is our standard listing agreement. We understand your primary intent is to sell the retail condos; this document addresses that.
Jennifer and I look forward to working with you. I assure you our best and most energetic efforts.

From: Wayne Dickson <wayne@blakedickson.com>
Sent: Thursday, January 29, 2009 9:41 AM
To: Josh Adler <josh@lakritzadler.com>
Cc: 'Jennifer Felix' <jenncfelix@hotmail.com>
Subject: Re: Listing Agreement

Wonderful. We're excited by the opportunity

Re: 8th & U. I've sent the basic information to our friends at Clark Realty and waiting to hear back from them. Based on our initial discussion my judgement is they will not go for it because -- as they said -- ground-up development has lost its appeal. We'll see.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 28, 2009, at 6:48 PM, Josh Adler wrote:

> We are going to proceed with you – I need to update your listing form accordingly. We're OK with 6/4 commission on sale.
>
> Thoughts on 1920 8th?
>
> ---
>
> **From:** Wayne Dickson [mailto:wayne@blakedickson.com]
> **Sent:** Wednesday, January 28, 2009 4:20 PM
> **To:** Josh Adler
> **Cc:** 'Jennifer Felix'
> **Subject:** Re: Listing Agreement
>
> Let me know what you decide.
>
> Wayne Dickson
> Blake Dickson Real Estate Services
> 1441 Q Street, NW
> Washington, DC 20009
> 202-667-2000
> C: 202-2567648
>
> On Jan 28, 2009, at 1:29 PM, Josh Adler wrote:
>
> KLNB has thirty day notice – any problem getting you started before that period runs out?
>
> ---
>
> **From:** Wayne Dickson [mailto:wayne@blakedickson.com]
> **Sent:** Wednesday, January 28, 2009 12:03 PM
> **To:** Josh Adler
> **Cc:** Jennifer Felix
> **Subject:** Re: Listing Agreement
>
> Josh,
> Thanks for your reply. Being a landlord myself I greatly appreciate your positions stated below. We are OK with commission payment coming to us once the Tenant has paid first months

rent. We are OK with 30-day termination notice.

It is our opinion, based on lots of experience, that to limit co-pay to 5% is not a good idea. Why risk having a broker block your building from consideration for one percent?

Our position remains 6% for co-pay and 4% in no other broker is involved. We must also find a solution for refuse, even if that means you must give up a $40,000.00 parking space.

Concerning 1920 8th Street. I'll get back to you today on that.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 26, 2009, at 5:45 PM, Josh Adler wrote:

Wayne,

We have not finished a detailed review of your proposed listing agreement yet. Typically we reject brokerage terms that include any payments of lease commission prior to our receipt of initial rent payments, sale commission more than 5% co-op and 3% direct on commercial properties, and termination periods of longer than 30 day notice. These things are always in the initial listing agreements, and they always get taken out.

Provided that we terminate KLNB this week, there would be a 30 day notice period for them, but I assume we could get you started right away.

Also, we are very, very intrigued by your potential tenant/buyer for our land option/ground lease at 1920 8th Street, the 8th & U/Florida lot where we can build up to 50,000 s.f. of new office, retail or residential. We can build-to-suit for sale or lease, or just sell them our option and let them build with or without us as the development manager. Can we do some kind of limited agreement with you (not a general exclusive) so you can put that site in front of them right a way and get some feedback ASAP? There is not currently any broker representing the site, but I do not think we are ready to commit to an exclusive listing there as there are a wide range of potential development options.

I will forward you more detail on 1920 8th Street now.

Thanks,

Josh

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Friday, January 23, 2009 6:16 PM
To: josh@lakritzadler.com; robb@lakritzadler.com
Cc: Gil Blankespoor; Jennifer Felix
Subject: Listing Agreement

Josh & Robb,
Here is our standard listing agreement. We understand your primary intent is to sell the retail condos; this document addresses that.
Jennifer and I look forward to working with you. I assure you our best and most energetic efforts.

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Thursday, January 29, 2009 1:07 PM
To: 'Josh Adler' <josh@lakritzadler.com>
Subject: RE: Listing Agreement

You should call them directly....and work a deal

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, January 29, 2009 11:51 AM
To: 'Robb Lakritz'
Subject: FW: Listing Agreement

Another strike on 8th st.

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Thursday, January 29, 2009 9:41 AM
To: Josh Adler
Cc: 'Jennifer Felix'
Subject: Re: Listing Agreement

Wonderful. We're excited by the opportunity

Re: 8th & U. I've sent the basic information to our friends at Clark Realty and waiting to hear back from them. Based on our initial discussion my judgement is they will not go for it because -- as they said -- ground-up development has lost its appeal. We'll see.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 28, 2009, at 6:48 PM, Josh Adler wrote:

We are going to proceed with you – I need to update your listing form accordingly. We're OK with 6/4 commission on sale.

Thoughts on 1920 8th?

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Wednesday, January 28, 2009 4:20 PM
To: Josh Adler
Cc: 'Jennifer Felix'
Subject: Re: Listing Agreement

Let me know what you decide.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 28, 2009, at 1:29 PM, Josh Adler wrote:

KLNB has thirty day notice – any problem getting you started before that period runs out?

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Wednesday, January 28, 2009 12:03 PM
To: Josh Adler
Cc: Jennifer Felix
Subject: Re: Listing Agreement

Josh,
Thanks for your reply. Being a landlord myself I greatly appreciate your positions stated below. We are OK with commission payment coming to us once the Tenant has paid first months rent. We are OK with 30-day termination notice.

It is our opinion, based on lots of experience, that to limit co-pay to 5% is not a good idea. Why risk having a broker block your building from consideration for one percent?

Our position remains 6% for co-pay and 4% in no other broker is involved. We must also find a solution for refuse, even if that means you must give up a $40,000.00 parking space.

Concerning 1920 8th Street. I'll get back to you today on that.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 26, 2009, at 5:45 PM, Josh Adler wrote:

Wayne,

We have not finished a detailed review of your proposed listing agreement yet. Typically we reject brokerage terms that include any payments of lease commission prior to our receipt of initial rent payments, sale commission more than 5% co-op and 3% direct on commercial properties, and termination periods of longer than 30 day notice. These things are always in the initial listing agreements, and they always get taken out.

Provided that we terminate KLNB this week, there would be a 30 day notice period for them, but I assume we could get you started right away.

Also, we are very, very intrigued by your potential tenant/buyer for our land option/ground lease at 1920 8th Street, the 8th & U/Florida lot where we can build up to 50,000 s.f. of new office, retail or residential. We can build-to-suit for sale or lease, or just sell them our option and let them build with or without us as the development manager. Can we do some kind of limited agreement with you (not a general exclusive) so you can put that site in front of them right a way and get some feedback ASAP? There is not currently any broker representing the site, but I do not think we are ready to commit to an exclusive listing there as there are a wide range of potential development options.

I will forward you more detail on 1920 8th Street now.

Thanks,

Josh

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Friday, January 23, 2009 6:16 PM
To: josh@lakritzadler.com; robb@lakritzadler.com
Cc: Gil Blankespoor; Jennifer Felix
Subject: Listing Agreement

Josh & Robb,
Here is our standard listing agreement. We understand your primary intent is to sell the retail condos; this document addresses that.
Jennifer and I look forward to working with you. I assure you our best and most energetic efforts.

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, January 29, 2009 4:28 PM
To: 'Wayne Dickson' <wayne@blakedickson.com>
Cc: 'Jennifer Felix' <jenncfelix@hotmail.com>
Subject: RE: Listing Agreement

What kind of use did they have in mind – residential or office or retail? We are in a position to renegotiate our deal with the land owner, but our time window to do so is extremely limited. Given the ground lease / option structure, the developer could easily warehouse the land for a few years and build later.

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Thursday, January 29, 2009 9:41 AM
To: Josh Adler
Cc: 'Jennifer Felix'
Subject: Re: Listing Agreement

Wonderful. We're excited by the opportunity

Re: 8th & U. I've sent the basic information to our friends at Clark Realty and waiting to hear back from them. Based on our initial discussion my judgement is they will not go for it because -- as they said -- ground-up development has lost its appeal. We'll see.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 28, 2009, at 6:48 PM, Josh Adler wrote:

We are going to proceed with you – I need to update your listing form accordingly. We're OK with 6/4 commission on sale.

Thoughts on 1920 8th?

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Wednesday, January 28, 2009 4:20 PM
To: Josh Adler
Cc: 'Jennifer Felix'
Subject: Re: Listing Agreement

Let me know what you decide.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 28, 2009, at 1:29 PM, Josh Adler wrote:

KLNB has thirty day notice – any problem getting you started before that period runs out?

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Wednesday, January 28, 2009 12:03 PM
To: Josh Adler
Cc: Jennifer Felix
Subject: Re: Listing Agreement

Josh,
Thanks for your reply. Being a landlord myself I greatly appreciate your positions stated below. We are OK with commission payment coming to us once the Tenant has paid first months rent. We are OK with 30-day termination notice.

It is our opinion, based on lots of experience, that to limit co-pay to 5% is not a good idea. Why risk having a broker block your building from consideration for one percent?

Our position remains 6% for co-pay and 4% in no other broker is involved. We must also find a solution for refuse, even if that means you must give up a $40,000.00 parking space.

Concerning 1920 8th Street. I'll get back to you today on that.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 26, 2009, at 5:45 PM, Josh Adler wrote:

Wayne,

We have not finished a detailed review of your proposed listing agreement yet. Typically we reject brokerage terms that include any payments of lease commission prior to our receipt of initial rent payments, sale commission more than 5% co-op and 3% direct on commercial properties, and termination periods of longer than 30 day notice. These things are always in the initial listing agreements, and they always get taken out.

Provided that we terminate KLNB this week, there would be a 30 day notice period for them, but I assume we could get you started right away.

Also, we are very, very intrigued by your potential tenant/buyer for our land option/ground lease at 1920 8th Street, the 8th & U/Florida lot where we can build up to 50,000 s.f. of new office, retail or residential. We can build-to-suit for sale or lease, or just sell them our option and let them build with or without us as the development manager. Can we do some kind of limited agreement with you (not a general exclusive) so you can put that site in front of them right a way and get some feedback ASAP? There is not currently any broker representing the site, but I do not think we are ready to commit to an exclusive listing there as there are a wide range of potential development options.

I will forward you more detail on 1920 8th Street now.

Thanks,

Josh

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Friday, January 23, 2009 6:16 PM
To: josh@lakritzadler.com; robb@lakritzadler.com
Cc: Gil Blankespoor; Jennifer Felix
Subject: Listing Agreement

Josh & Robb,
Here is our standard listing agreement. We understand your primary intent is to sell the retail condos; this document addresses that.
Jennifer and I look forward to working with you. I assure you our best and most energetic efforts.

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, January 29, 2009 4:36 PM
To: 'Wayne Dickson' <wayne@blakedickson.com>
Cc: 'Jennifer Felix' <jenncfelix@hotmail.com>
Subject: RE: Listing Agreement

Wayne – we know the people at Clark Realty Capital. I'd like to talk to them directly to explain the complicated structure of the ground lease, and see if we can fit it into whatever their concept would be for this site. We have a really tight window on this, like, today and tomorrow. Let this email confirm that if we reach a deal with Clark Realty Capital with respect to 1920 8th Street, lease or sale within 6 months of today, we will pay you 4% (or 6% if co-oped) of the net sale price or first ten years of net rent. Can you tell me which person there would be responsible for this so I can call them directly?

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Thursday, January 29, 2009 9:41 AM
To: Josh Adler
Cc: 'Jennifer Felix'
Subject: Re: Listing Agreement

Wonderful. We're excited by the opportunity

Re: 8th & U. I've sent the basic information to our friends at Clark Realty and waiting to hear back from them. Based on our initial discussion my judgement is they will not go for it because -- as they said -- ground-up development has lost its appeal. We'll see.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 28, 2009, at 6:48 PM, Josh Adler wrote:

We are going to proceed with you – I need to update your listing form accordingly. We're OK with 6/4 commission on sale.

Thoughts on 1920 8th?

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Wednesday, January 28, 2009 4:20 PM
To: Josh Adler
Cc: 'Jennifer Felix'
Subject: Re: Listing Agreement

Let me know what you decide.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 28, 2009, at 1:29 PM, Josh Adler wrote:

KLNB has thirty day notice – any problem getting you started before that period runs out?

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Wednesday, January 28, 2009 12:03 PM
To: Josh Adler
Cc: Jennifer Felix
Subject: Re: Listing Agreement

Josh,
Thanks for your reply. Being a landlord myself I greatly appreciate your positions stated below. We are OK with commission payment coming to us once the Tenant has paid first months rent. We are OK with 30-day termination notice.

It is our opinion, based on lots of experience, that to limit co-pay to 5% is not a good idea. Why risk having a broker block your building from consideration for one percent?

Our position remains 6% for co-pay and 4% in no other broker is involved. We must also find a solution for refuse, even if that means you must give up a $40,000.00 parking space.

Concerning 1920 8th Street. I'll get back to you today on that.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 26, 2009, at 5:45 PM, Josh Adler wrote:

Wayne,

We have not finished a detailed review of your proposed listing agreement yet. Typically we reject brokerage terms that include any payments of lease commission prior to our receipt of initial rent payments, sale commission more than 5% co-op and 3% direct on commercial properties, and termination periods of longer than 30 day notice. These things are always in the initial listing agreements, and they always get taken out.

Provided that we terminate KLNB this week, there would be a 30 day notice period for them, but I assume we could get you started right away.

Also, we are very, very intrigued by your potential tenant/buyer for our land option/ground lease at 1920 8th Street, the 8th & U/Florida lot where we can build up to 50,000 s.f. of new office, retail or residential. We can build-to-suit for sale or lease, or just sell them our option and let them build with or without us as the development manager. Can we do some kind of limited agreement with you (not a general exclusive) so you can put that site in front of them right a way and get some feedback ASAP? There is not currently any broker representing the site, but I do not think we are ready to commit

to an exclusive listing there as there are a wide range of potential development options.

I will forward you more detail on 1920 8th Street now.

Thanks,

Josh

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Friday, January 23, 2009 6:16 PM
To: josh@lakritzadler.com; robb@lakritzadler.com
Cc: Gil Blankespoor; Jennifer Felix
Subject: Listing Agreement

Josh & Robb,
Here is our standard listing agreement. We understand your primary intent is to sell the retail condos; this document addresses that.
Jennifer and I look forward to working with you. I assure you our best and most energetic efforts.

From: Wayne Dickson <wayne@blakedickson.com>
Sent: Thursday, January 29, 2009 6:12 PM
To: Josh Adler <josh@lakritzadler.com>
Cc: Jennifer Felix <jenncfelix@hotmail.com>
Subject: Re: Listing Agreement

I just got back to the office. I have sent an e-mail to the person I work with at Clark -- I'll get back to you ASAP!
On Jan 29, 2009, at 4:35 PM, Josh Adler wrote:

> Wayne – we know the people at Clark Realty Capital. I'd like to talk to them directly to explain the complicated structure of the ground lease, and see if we can fit it into whatever their concept would be for this site. We have a really tight window on this, like, today and tomorrow. Let this email confirm that if we reach a deal with Clark Realty Capital with respect to 1920 8th Street, lease or sale within 6 months of today, we will pay you 4% (or 6% if co-oped) of the net sale price or first ten years of net rent. Can you tell me which person there would be responsible for this so I can call them directly?
>
> ---
>
> **From:** Wayne Dickson [mailto:wayne@blakedickson.com]
> **Sent:** Thursday, January 29, 2009 9:41 AM
> **To:** Josh Adler
> **Cc:** 'Jennifer Felix'
> **Subject:** Re: Listing Agreement
>
> Wonderful. We're excited by the opportunity
>
> Re: 8th & U. I've sent the basic information to our friends at Clark Realty and waiting to hear back from them. Based on our initial discussion my judgement is they will not go for it because -- as they said -- ground-up development has lost its appeal. We'll see.
>
> Wayne Dickson
> Blake Dickson Real Estate Services
> 1441 Q Street, NW
> Washington, DC 20009
> 202-667-2000
> C: 202-2567648
>
> On Jan 28, 2009, at 6:48 PM, Josh Adler wrote:
>
> We are going to proceed with you – I need to update your listing form accordingly. We're OK with 6/4 commission on sale.
>
> Thoughts on 1920 8th?
>
> ---
>
> **From:** Wayne Dickson [mailto:wayne@blakedickson.com]
> **Sent:** Wednesday, January 28, 2009 4:20 PM
> **To:** Josh Adler
> **Cc:** 'Jennifer Felix'
> **Subject:** Re: Listing Agreement
>
> Let me know what you decide.
>
> Wayne Dickson
> Blake Dickson Real Estate Services
> 1441 Q Street, NW

Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 28, 2009, at 1:29 PM, Josh Adler wrote:

KLNB has thirty day notice – any problem getting you started before that period runs out?

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Wednesday, January 28, 2009 12:03 PM
To: Josh Adler
Cc: Jennifer Felix
Subject: Re: Listing Agreement

Josh,
Thanks for your reply. Being a landlord myself I greatly appreciate your positions stated below. We are OK with commission payment coming to us once the Tenant has paid first months rent. We are OK with 30-day termination notice.

It is our opinion, based on lots of experience, that to limit co-pay to 5% is not a good idea. Why risk having a broker block your building from consideration for one percent?

Our position remains 6% for co-pay and 4% in no other broker is involved. We must also find a solution for refuse, even if that means you must give up a $40,000.00 parking space.

Concerning 1920 8th Street. I'll get back to you today on that.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

On Jan 26, 2009, at 5:45 PM, Josh Adler wrote:

Wayne,

We have not finished a detailed review of your proposed listing agreement yet. Typically we reject brokerage terms that include any payments of lease commission prior to our receipt of initial rent payments, sale commission more than 5% co-op and 3% direct on commercial properties, and termination periods of longer than 30 day notice. These things are always in the initial listing agreements, and they always get taken out.

Provided that we terminate KLNB this week, there would be a 30 day notice period for them, but I assume we could get you started right away.

Also, we are very, very intrigued by your potential tenant/buyer for our land option/ground lease at 1920 8th Street, the 8th & U/Florida lot where we can build up to 50,000 s.f. of new office, retail or residential. We can build-to-suit for sale or lease, or just sell them our option and let them build with or without us as the development manager. Can we do some kind of limited agreement with you (not a general exclusive) so you can put that site in front of them right a way and get some feedback ASAP? There is not currently any broker representing the site, but I do not think we are ready to commit to an exclusive listing there as there are a wide range of potential development options.

I will forward you more detail on 1920 8th Street now.

Thanks,

Josh

From: Wayne Dickson [mailto:wayne@blakedickson.com]
Sent: Friday, January 23, 2009 6:16 PM
To: josh@lakritzadler.com; robb@lakritzadler.com
Cc: Gil Blankespoor; Jennifer Felix
Subject: Listing Agreement

Josh & Robb,
Here is our standard listing agreement. We understand your primary intent is to sell the retail condos; this document addresses that.
Jennifer and I look forward to working with you. I assure you our best and most energetic efforts.

Wayne Dickson
Blake Dickson Real Estate Services
1441 Q Street, NW
Washington, DC 20009
202-667-2000
C: 202-2567648

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, February 12, 2009 5:56 PM
To: 'Clay Chavers' <chavlawfirm@gmail.com>; 'robb@lakritzadler.com'
Cc: 'amedhane@comcast.net'
Subject: RE: Meeting to discuss Lease Modification

Clay,

Sorry for the delay, we had some unexpected meetings today that ran over.

We cannot proceed with a lease modification along the lines Abraham proposed yesterday. While the temporary reduced rent amount of $6,250/month is workable, we would also need a substantial number of additional renewal periods (much more than 3) and/or a substantial option price reduction for the deal to work. He indicated that he was not willing to negotiate on those points.

We are willing to provide a mutual release of the ground lease at no further cost to either of us. If Medal, Inc. wants to pursue 1920 8th Street, LLC for a default judgment, it is free to do so, but I cannot imagine that the end result would justify the cost, since this ground lease is the only meaningful asset of the LLC.

When the real estate development market comes back to life at some point in the future, if the property is still available, maybe we'll all be able to pick up where we left off, and salvage some value from our $500,000 investment.

Best regards,

Josh & Robb
Managing Members
1920 8th Street, LLC

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Thursday, February 12, 2009 4:48 PM
To: robb@lakritzadler.com
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification

You guys did not get back to my client by noon as agreeded. I called you two, after Medhane called me to advise that you'd not met your agreed time limit. I tried to call and was told that you unavailable.
You are not helping this by not meeting agreeded on schedules. What do you want to do. I've got to act on this now.

> -----Original Message-----
> **From:** Robb LaKritz [mailto:robb@lakritzadler.com]
> **Sent:** Monday, February 09, 2009 1:58 PM
> **To:** 'A. Medhane'; 'Clay Chavers'
> **Cc:** 'Josh Adler'
> **Subject:** RE: Meeting to discuss Lease Modification
>
> 4:30 is fine
>
> ---
>
> **From:** A. Medhane [mailto:amedhane@comcast.net]
> **Sent:** Monday, February 09, 2009 1:38 PM
> **To:** robb@lakritzadler.com; 'Clay Chavers'
> **Cc:** 'Josh Adler'
> **Subject:** RE: Meeting to discuss Lease Modification
>
> #.30 is not good for me. As mentioned 4.30 is right if not Thursday morning.
>
> -----Original Message-----

From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Monday, February 09, 2009 1:34 PM
To: 'Clay Chavers'; 'A. Medhane'
Cc: 'Josh Adler'
Subject: Meeting to discuss Lease Modification

We and Abraham have agreed to sit and discuss the lease this Wednesday at 3:30 p.m. at our offices. 4326 8th St. NW, Washington, D.C. 20011. Please confirm.

LAKRITZ | ADLER

4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809
www.lakritzadler.com

From: Clay Chavers <chavlawfirm@gmail.com>
Sent: Thursday, February 12, 2009 7:16 PM
To: Josh Adler <josh@lakritzadler.com>; robb@lakritzadler.com
Cc: amedhane@comcast.net
Subject: RE: Meeting to discuss Lease Modification

Hello Josh and Rob,
I understand your decision but I'm certain you have made the wrong decision. Nevertheless, 1920 8th Street, LLC is in default and your offer to just walk away is unreasonable and thus unacceptable. It makes no business sense to execute a contract and then not try to live by that contract.
I would suggest you surrender all documents et al to the landlord in accordance with general practice between the landlord and tenants in default. My client will not forgo its compensation due in accordance with the lease agreement. Under the circumstances, I think you'd be better served to come to an agreeded on calculation of the existing damages due. Thereafter, workout an acceptable term to payout those damages. At that point there will be no need for court involvement. In the alternative, we will employ the courts and sustain a judgment which can be enforced for up to 24 years. As you know an adverse judgment against a company where you were principals will adversely impact your creditworthiness and more. In addition, I am obligated to try and find legal concept which will allow us to pierce the vial of the LLC and hold you both liable in addition to the LLC. It is likely I will be able to do so. In addition, you'll be paying legal fees likly rivaling a informal workout. Frankly guys your approach makes no sense. You should just make a deal on the terms.
In any event, you'll need to advise me very soon as to, what your wishes are as I am now instructed to move on the landlord's rights under the agreement.
If you like, please have the attorney who will be representing you and the LLC contact me.
I do wish you both well.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.
1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, February 12, 2009 5:56 PM
To: 'Clay Chavers'; robb@lakritzadler.com
Cc: amedhane@comcast.net
Subject: RE: Meeting to discuss Lease Modification

Clay,

Sorry for the delay, we had some unexpected meetings today that ran over.

We cannot proceed with a lease modification along the lines Abraham proposed yesterday. While the temporary reduced rent amount of $6,250/month is workable, we would also need a substantial number of additional renewal periods (much more than 3) and/or a substantial option price reduction for the deal to work. He indicated that he was not willing to negotiate on those points.

We are willing to provide a mutual release of the ground lease at no further cost to either of us. If Medal, Inc. wants to pursue 1920 8th Street, LLC for a default judgment, it is free to do so, but I cannot imagine that the end result would justify the cost, since this ground lease is the only meaningful asset of the LLC.

When the real estate development market comes back to life at some point in the future, if the property is still available, maybe we'll all be able to pick up where we left off, and salvage some value from our $500,000 investment.

Best regards,

Josh & Robb
Managing Members
1920 8th Street, LLC

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Thursday, February 12, 2009 4:48 PM
To: robb@lakritzadler.com
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification

You guys did not get back to my client by noon as agreeded. I called you two, after Medhane called me to advise that you'd not met your agreed time limit. I tried to call and was told that you unavailable.
You are not helping this by not meeting agreeded on schedules. What do you want to do. I've got to act on this now.

> -----Original Message-----
> **From:** Robb LaKritz [mailto:robb@lakritzadler.com]
> **Sent:** Monday, February 09, 2009 1:58 PM
> **To:** 'A. Medhane'; 'Clay Chavers'
> **Cc:** 'Josh Adler'
> **Subject:** RE: Meeting to discuss Lease Modification
>
> 4:30 is fine
>
> ---
>
> **From:** A. Medhane [mailto:amedhane@comcast.net]
> **Sent:** Monday, February 09, 2009 1:38 PM
> **To:** robb@lakritzadler.com; 'Clay Chavers'
> **Cc:** 'Josh Adler'
> **Subject:** RE: Meeting to discuss Lease Modification
>
> #.30 is not good for me. As mentioned 4.30 is right if not Thursday morning.
>
> > -----Original Message-----
> > **From:** Robb LaKritz [mailto:robb@lakritzadler.com]
> > **Sent:** Monday, February 09, 2009 1:34 PM
> > **To:** 'Clay Chavers'; 'A. Medhane'
> > **Cc:** 'Josh Adler'
> > **Subject:** Meeting to discuss Lease Modification
> >
> > We and Abraham have agreed to sit and discuss the lease this Wednesday at 3:30 p.m. at our offices. 4326 8th St. NW, Washington, D.C. 20011. Please confirm.

LAKRITZ | ADLER

4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809
www.lakritzadler.com

From: Clay Chavers <chavlawfirm@gmail.com>
Sent: Friday, February 13, 2009 5:14 PM
To: Goldschmidt, Stanley <SGoldschmidt@ralaw.com>
Cc: robb@lakritzadler.com; Josh Adler <josh@lakritzadler.com>; Aberham & Fattaneh Medhane <amedhane@comcast.net>
Subject: RE: Meeting to discuss Lease Modification

Hello Stanley,
I'm pleased that Rob and Josh have involved you again.
It would not be a productive use of our time to posture about our respective theories of the law like, piercing of corporate veils, as that is what the trier of fact is for. I do however, hope you will agree that, it is in the best interest of your clients to come to a work out of the damages as stated in the contract between the parties. In that regard, I will make my self available at the time you requested, Wednesday afternoon, February 18 at 4:00 pm. Please call me at 410-531-6099 at that time so we can have that discussion. As you will have your clients on-line, I will also see if my client is available at that time.
I look forward to speaking with you then.

My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.
1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]
Sent: Friday, February 13, 2009 10:40 AM
To: chavlawfirm@gmail.com
Cc: robb@lakritzadler.com; Josh Adler
Subject: FW: Meeting to discuss Lease Modification
Importance: High

Mr. Chavers - As I think you know, I represent 1920 8th Street, LLC. I believe you and I were on a telephone call together last week with Robb and Josh.

While I disagree with a number of the statements in your e-mail below (especially with respect to your ability to "pierce the corporate veil"), Robb has asked that I set up a telephone call with you (along with Robb, Josh and myself) to explain in further detail what was discussed at the meeting.

Robb is out of town until next week and would be available to have this call on Wednesday afternoon,

February 18 at 4:00 pm.

Does that work for you?

Thank you, Stan Goldschmidt

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: "Clay Chavers"
Date: Thu, 12 Feb 2009 19:15:52 -0500
To: Josh Adler<josh@lakritzadler.com>; <robb@lakritzadler.com>
Subject: RE: Meeting to discuss Lease Modification

Hello Josh and Rob,

I understand your decision but I'm certain you have made the wrong decision. Nevertheless, 1920 8th Street, LLC is in default and your offer to just walk away is unreasonable and thus unacceptable. It makes no business sense to execute a contract and then not try to live by that contract.

I would suggest you surrender all documents et al to the landlord in accordance with general practice between the landlord and tenants in default. My client will not forgo its compensation due in accordance with the lease agreement. Under the circumstances, I think you'd be better served to come to an agreeded on calculation of the existing damages due. Thereafter, workout an acceptable term to payout those damages. At that point there will be no need for court involvement. In the alternative, we will employ the courts and sustain a judgment which can be enforced for up to 24 years. As you know an adverse judgment against a company where you were principals will adversely impact your creditworthiness and more. In addition, I am obligated to try and find legal concept which will allow us to pierce the vial of the LLC and hold you both liable in addition to the LLC. It is likely I will be able to do so. In addition, you'll be paying legal fees likly rivaling a informal workout. Frankly guys your approach makes no sense. You should just make a deal on the terms.

In any event, you'll need to advise me very soon as to, what your wishes are as I am now instructed to move on the landlord's rights under the agreement.

If you like, please have the attorney who will be representing you and the LLC contact me.

I do wish you both well.

My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, February 12, 2009 5:56 PM
To: 'Clay Chavers'; robb@lakritzadler.com
Cc: amedhane@comcast.net
Subject: RE: Meeting to discuss Lease Modification

Clay,

Sorry for the delay, we had some unexpected meetings today that ran over.

We cannot proceed with a lease modification along the lines Abraham proposed yesterday. While the temporary reduced rent amount of $6,250/month is workable, we would also need a substantial number of additional renewal periods (much more than 3) and/or a substantial option price reduction for the deal to work. He indicated that he was not willing to negotiate on those points.

We are willing to provide a mutual release of the ground lease at no further cost to either of us. If Medal, Inc. wants to pursue 1920 8th Street, LLC for a default judgment, it is free to do so, but I cannot imagine that the end result would justify the cost, since this ground lease is the only meaningful asset of the LLC.

When the real estate development market comes back to life at some point in the future, if the property is still available, maybe we'll all be able to pick up where we left off, and salvage some value from our $500,000 investment.

Best regards,

Josh & Robb
Managing Members
1920 8th Street, LLC

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Thursday, February 12, 2009 4:48 PM
To: robb@lakritzadler.com
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification

You guys did not get back to my client by noon as agreeded. I called you two, after Medhane called me to advise that you'd not met your agreed time limit. I tried to call and was told that you unavailable.
You are not helping this by not meeting agreeded on schedules. What do you want to do. I've got to act on this now.

-----Original Message-----

From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Monday, February 09, 2009 1:58 PM
To: 'A. Medhane'; 'Clay Chavers'
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification

4:30 is fine

From: A. Medhane [mailto:amedhane@comcast.net]
Sent: Monday, February 09, 2009 1:38 PM
To: robb@lakritzadler.com; 'Clay Chavers'
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification

#.30 is not good for me. As mentioned 4.30 is right if not Thursday morning.

-----Original Message-----
From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Monday, February 09, 2009 1:34 PM
To: 'Clay Chavers'; 'A. Medhane'
Cc: 'Josh Adler'
Subject: Meeting to discuss Lease Modification

We and Abraham have agreed to sit and discuss the lease this Wednesday at 3:30 p.m. at our offices. 4326 8th St. NW, Washington, D.C. 20011. Please confirm.

LAKRITZ | ADLER

4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809
www.lakritzadler.com

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

From: Clay Chavers <chavlawfirm@gmail.com>
Sent: Monday, February 16, 2009 10:23 AM
To: Goldschmidt, Stanley <SGoldschmidt@ralaw.com>
Cc: robb@lakritzadler.com; Josh Adler <josh@lakritzadler.com>; Aberham & Fattaneh Medhane <amedhane@comcast.net>
Subject: RE: Meeting to discuss Lease Modification

Hello Stanley,
My client has asked me to request that you have your clients return of our documents as per their agreement, in the meanwhile.
Thank you for your cooperation.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Friday, February 13, 2009 5:14 PM
To: Goldschmidt, Stanley
Cc: robb@lakritzadler.com; Josh Adler; Aberham & Fattaneh Medhane
Subject: RE: Meeting to discuss Lease Modification
Importance: High

Hello Stanley,
I'm pleased that Rob and Josh have involved you again.
It would not be a productive use of our time to posture about our respective theories of the law like, piercing of corporate veils, as that is what the trier of fact is for. I do however, hope you will agree that, it is in the best interest of your clients to come to a work out of the damages as stated in the contract between the parties. In that regard, I will make my self available at the time you requested, Wednesday afternoon, February 18 at 4:00 pm.
Please call me at 410-531-6099 at that time so we can have that discussion. As you will have your clients on-line, I will also see if my client is available at that time.
I look forward to speaking with you then.

My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service

chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]
Sent: Friday, February 13, 2009 10:40 AM
To: chavlawfirm@gmail.com
Cc: robb@lakritzadler.com; Josh Adler
Subject: FW: Meeting to discuss Lease Modification
Importance: High

Mr. Chavers - As I think you know, I represent 1920 8th Street, LLC. I believe you and I were on a telephone call together last week with Robb and Josh.

While I disagree with a number of the statements in your e-mail below (especially with respect to your ability to "pierce the corporate veil"), Robb has asked that I set up a telephone call with you (along with Robb, Josh and myself) to explain in further detail what was discussed at the meeting.

Robb is out of town until next week and would be available to have this call on Wednesday afternoon, February 18 at 4:00 pm.

Does that work for you?

Thank you, Stan Goldschmidt

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: "Clay Chavers"
Date: Thu, 12 Feb 2009 19:15:52 -0500
To: Josh Adler<josh@lakritzadler.com>; <robb@lakritzadler.com>
Subject: RE: Meeting to discuss Lease Modification

Hello Josh and Rob,
I understand your decision but I'm certain you have made the wrong decision. Nevertheless, 1920 8th Street, LLC is in default and your offer to just walk away is unreasonable and thus unacceptable. It makes no business sense to execute a contract and then not try to live by that contract.

I would suggest you surrender all documents et al to the landlord in accordance with general practice between the landlord and tenants in default. My client will not forgo its compensation due in accordance with the lease agreement. Under the circumstances, I think you'd be better served to come to an agreeded on calculation of the existing damages due. Thereafter, workout an acceptable term to payout those damages. At that point there will be no need for court involvement. In the alternative, we will employ the courts and sustain a judgment which can be enforced for up to 24 years. As you know an adverse judgment against a company where you were principals will adversely impact your creditworthiness and more. In addition, I am obligated to try and find legal concept which will allow us to pierce the vial of the LLC and hold you both liable in addition to the LLC. It is likely I will be able to do so. In addition, you'll be paying legal fees likly rivaling a informal workout. Frankly guys your approach makes no sense. You should just make a deal on the terms.
In any event, you'll need to advise me very soon as to, what your wishes are as I am now instructed to move on the landlord's rights under the agreement.
If you like, please have the attorney who will be representing you and the LLC contact me.
I do wish you both well.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, February 12, 2009 5:56 PM
To: 'Clay Chavers'; robb@lakritzadler.com
Cc: amedhane@comcast.net
Subject: RE: Meeting to discuss Lease Modification

Clay,

Sorry for the delay, we had some unexpected meetings today that ran over.

We cannot proceed with a lease modification along the lines Abraham proposed yesterday. While the temporary reduced rent amount of $6,250/month is workable, we would also need a substantial number of additional renewal periods (much more than 3) and/or a substantial option price reduction for the deal to work. He indicated that he was not willing to negotiate on those points.

We are willing to provide a mutual release of the ground lease at no further cost to either of us. If Medal, Inc. wants to pursue 1920 8th Street, LLC for a default judgment, it is free to do so, but I cannot imagine that the end result would justify the cost, since this ground lease is the only meaningful asset of the LLC.

When the real estate development market comes back to life at some point in the future, if the property is still available, maybe we'll all be able to pick up where we left off, and salvage some value from our $500,000 investment.

Best regards,

Josh & Robb
Managing Members
1920 8th Street, LLC

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Thursday, February 12, 2009 4:48 PM
To: robb@lakritzadler.com
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification

You guys did not get back to my client by noon as agreeded. I called you two, after Medhane called me to advise that you'd not met your agreed time limit. I tried to call and was told that you unavailable.
You are not helping this by not meeting agreeded on schedules. What do you want to do. I've got to act on this now.

-----Original Message-----
From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Monday, February 09, 2009 1:58 PM
To: 'A. Medhane'; 'Clay Chavers'
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification
4:30 is fine

From: A. Medhane [mailto:amedhane@comcast.net]
Sent: Monday, February 09, 2009 1:38 PM
To: robb@lakritzadler.com; 'Clay Chavers'
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification

#.30 is not good for me. As mentioned 4.30 is right if not Thursday morning.

-----Original Message-----
From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Monday, February 09, 2009 1:34 PM
To: 'Clay Chavers'; 'A. Medhane'
Cc: 'Josh Adler'
Subject: Meeting to discuss Lease Modification

We and Abraham have agreed to sit and discuss the lease this Wednesday at 3:30 p.m. at our offices. 4326 8th St. NW, Washington, D.C. 20011. Please confirm.

4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809
www.lakritzadler.com

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

From: Goldschmidt, Stanley <SGoldschmidt@ralaw.com>
Sent: Monday, February 16, 2009 10:26 AM
To: Clay Chavers <chavlawfirm@gmail.com>
Cc: robb@lakritzadler.com; Josh Adler <josh@lakritzadler.com>; Aberham & Fattaneh Medhane <amedhane@comcast.net>
Subject: RE: Meeting to discuss Lease Modification

Mr. Chavers - I am not sure I understand your e-mail. I take it that your client wants the Tenant to return some documents. Which documents are you referring to?

Thanks, Stan

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Monday, February 16, 2009 10:23 AM
To: Goldschmidt, Stanley
Cc: robb@lakritzadler.com; Josh Adler; Aberham & Fattaneh Medhane
Subject: RE: Meeting to discuss Lease Modification

Hello Stanley,
My client has asked me to request that you have your clients return of our documents as per their agreement, in the meanwhile.
Thank you for your cooperation.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this

transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Friday, February 13, 2009 5:14 PM
To: Goldschmidt, Stanley
Cc: robb@lakritzadler.com; Josh Adler; Aberham & Fattaneh Medhane
Subject: RE: Meeting to discuss Lease Modification
Importance: High

Hello Stanley,
I'm pleased that Rob and Josh have involved you again.
It would not be a productive use of our time to posture about our respective theories of the law like, piercing of corporate veils, as that is what the trier of fact is for. I do however, hope you will agree that, it is in the best interest of your clients to come to a work out of the damages as stated in the contract between the parties. In that regard, I will make my self available at the time you requested, Wednesday afternoon, February 18 at 4:00 pm.
Please call me at 410-531-6099 at that time so we can have that discussion. As you will have your clients on-line, I will also see if my client is available at that time.
I look forward to speaking with you then.

My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]
Sent: Friday, February 13, 2009 10:40 AM
To: chavlawfirm@gmail.com
Cc: robb@lakritzadler.com; Josh Adler
Subject: FW: Meeting to discuss Lease Modification
Importance: High

Mr. Chavers - As I think you know, I represent 1920 8th Street, LLC. I believe you and I were on a telephone call together last week with Robb and Josh.

While I disagree with a number of the statements in your e-mail below (especially with respect to your ability to "pierce the corporate veil"), Robb has asked that I set up a telephone call with you (along with Robb, Josh and myself) to explain in further detail what was discussed at the meeting.

Robb is out of town until next week and would be available to have this call on Wednesday afternoon, February 18 at 4:00 pm.

Does that work for you?

Thank you, Stan Goldschmidt

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: "Clay Chavers"
Date: Thu, 12 Feb 2009 19:15:52 -0500
To: Josh Adler<josh@lakritzadler.com>; <robb@lakritzadler.com>
Subject: RE: Meeting to discuss Lease Modification

Hello Josh and Rob,
I understand your decision but I'm certain you have made the wrong decision. Nevertheless, 1920 8th Street, LLC is in default and your offer to just walk away is unreasonable and thus unacceptable. It makes no business sense to execute a contract and then not try to live by that contract.
I would suggest you surrender all documents et al to the landlord in accordance with general practice between the landlord and tenants in default. My client will not forgo its compensation due in accordance with the lease agreement. Under the circumstances, I think you'd be better served to come to an agreeded on calculation of the existing damages due. Thereafter, workout an acceptable term to payout those damages. At that point there will be no need for court involvement. In the alternative, we will employ the courts and sustain a judgment which can be enforced for up to 24 years. As you know an adverse judgment against a company where you were principals will adversely impact your creditworthiness and more. In addition, I am obligated to try and find legal concept which will allow us to pierce the vial of the LLC and hold you both liable in addition to the LLC. It is likely I will be able to do so. In addition, you'll be paying legal fees likly rivaling a informal workout. Frankly guys your approach makes no sense. You should just make a deal on the terms.
In any event, you'll need to advise me very soon as to, what your wishes are as I am now instructed to move on the landlord's rights under the agreement.
If you like, please have the attorney who will be representing you and the LLC contact me.
I do wish you both well.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended

recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, February 12, 2009 5:56 PM
To: 'Clay Chavers'; robb@lakritzadler.com
Cc: amedhane@comcast.net
Subject: RE: Meeting to discuss Lease Modification

Clay,

Sorry for the delay, we had some unexpected meetings today that ran over.

We cannot proceed with a lease modification along the lines Abraham proposed yesterday. While the temporary reduced rent amount of $6,250/month is workable, we would also need a substantial number of additional renewal periods (much more than 3) and/or a substantial option price reduction for the deal to work. He indicated that he was not willing to negotiate on those points.

We are willing to provide a mutual release of the ground lease at no further cost to either of us. If Medal, Inc. wants to pursue 1920 8th Street, LLC for a default judgment, it is free to do so, but I cannot imagine that the end result would justify the cost, since this ground lease is the only meaningful asset of the LLC.

When the real estate development market comes back to life at some point in the future, if the property is still available, maybe we'll all be able to pick up where we left off, and salvage some value from our $500,000 investment.

Best regards,

Josh & Robb
Managing Members
1920 8th Street, LLC

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Thursday, February 12, 2009 4:48 PM
To: robb@lakritzadler.com
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification

You guys did not get back to my client by noon as agreeded. I called you two, after Medhane called me to advise that you'd not met your agreed time limit. I tried to call and was told that you unavailable.
You are not helping this by not meeting agreeded on schedules. What do you want to do. I've got to act on this now.

-----Original Message-----
From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Monday, February 09, 2009 1:58 PM
To: 'A. Medhane'; 'Clay Chavers'
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification
4:30 is fine

From: A. Medhane [mailto:amedhane@comcast.net]
Sent: Monday, February 09, 2009 1:38 PM
To: robb@lakritzadler.com; 'Clay Chavers'
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification

#.30 is not good for me. As mentioned 4.30 is right if not Thursday morning.

-----Original Message-----
From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Monday, February 09, 2009 1:34 PM
To: 'Clay Chavers'; 'A. Medhane'
Cc: 'Josh Adler'
Subject: Meeting to discuss Lease Modification

We and Abraham have agreed to sit and discuss the lease this Wednesday at 3:30 p.m. at our offices. 4326 8th St. NW, Washington, D.C. 20011. Please confirm.

4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809
www.lakritzadler.com

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

From: Goldschmidt, Stanley <SGoldschmidt@ralaw.com>
Sent: Monday, February 16, 2009 12:31 PM
To: Clay Chavers <chavlawfirm@gmail.com>
Cc: Josh Adler <josh@lakritzadler.com>; robb@lakritzadler.com
Subject: RE: Meeting to discuss Lease Modification

Shouldn't we wait until after Wednesday's phone call?

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Monday, February 16, 2009 11:58 AM
To: Goldschmidt, Stanley
Subject: RE: Meeting to discuss Lease Modification

Hello Stan,

The contract spells out certain documents that are to be returned to the landlord in the event of default. They are, among other things, architectural designs, engineering diagrams, permits, certifications and the like. I have not reviewed the lease sales agreement lately for these specifically but, the parties are both familiar with it as they have exchanged these before.

My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.
1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended

recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]
Sent: Monday, February 16, 2009 10:26 AM
To: Clay Chavers
Cc: robb@lakritzadler.com; Josh Adler; Aberham & Fattaneh Medhane
Subject: RE: Meeting to discuss Lease Modification

Mr. Chavers - I am not sure I understand your e-mail. I take it that your client wants the Tenant to return some documents. Which documents are you referring to?

Thanks, Stan

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Monday, February 16, 2009 10:23 AM
To: Goldschmidt, Stanley
Cc: robb@lakritzadler.com; Josh Adler; Aberham & Fattaneh Medhane
Subject: RE: Meeting to discuss Lease Modification

Hello Stanley,
My client has asked me to request that you have your clients return of our documents as per their agreement, in the meanwhile.
Thank you for your cooperation.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service

chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Friday, February 13, 2009 5:14 PM
To: Goldschmidt, Stanley
Cc: robb@lakritzadler.com; Josh Adler; Aberham & Fattaneh Medhane
Subject: RE: Meeting to discuss Lease Modification
Importance: High

Hello Stanley,
I'm pleased that Rob and Josh have involved you again.
It would not be a productive use of our time to posture about our respective theories of the law like, piercing of corporate veils, as that is what the trier of fact is for. I do however, hope you will agree that, it is in the best interest of your clients to come to a work out of the damages as stated in the contract between the parties. In that regard, I will make my self available at the time you requested, Wednesday afternoon, February 18 at 4:00 pm.
Please call me at 410-531-6099 at that time so we can have that discussion. As you will have your clients on-line, I will also see if my client is available at that time.
I look forward to speaking with you then.

My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]
Sent: Friday, February 13, 2009 10:40 AM
To: chavlawfirm@gmail.com
Cc: robb@lakritzadler.com; Josh Adler
Subject: FW: Meeting to discuss Lease Modification
Importance: High

Mr. Chavers - As I think you know, I represent 1920 8th Street, LLC. I believe you and I were on a telephone call together last week with Robb and Josh.

While I disagree with a number of the statements in your e-mail below (especially with respect to your ability to "pierce the corporate veil"), Robb has asked that I set up a telephone call with you (along with Robb, Josh and myself) to explain in further detail what was discussed at the meeting.

Robb is out of town until next week and would be available to have this call on Wednesday afternoon, February 18 at 4:00 pm.

Does that work for you?

Thank you, Stan Goldschmidt

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: "Clay Chavers"
Date: Thu, 12 Feb 2009 19:15:52 -0500
To: Josh Adler<josh@lakritzadler.com>; <robb@lakritzadler.com>
Subject: RE: Meeting to discuss Lease Modification

Hello Josh and Rob,
I understand your decision but I'm certain you have made the wrong decision. Nevertheless, 1920 8th Street, LLC is in default and your offer to just walk away is unreasonable and thus unacceptable. It makes no business sense to execute a contract and then not try to live by that contract.
I would suggest you surrender all documents et al to the landlord in accordance with general practice between the landlord and tenants in default. My client will not forgo its compensation due in accordance with the lease agreement. Under the circumstances, I think you'd be better served to come to an agreeded on calculation of the existing damages due. Thereafter, workout an acceptable term to payout those damages. At that point there will be no need for court involvement. In the alternative, we will employ the courts and sustain a judgment which can be enforced for up to 24 years. As you know an adverse judgment against a company where you were principals will adversely impact your creditworthiness and more. In addition, I am obligated to try and find legal concept which will allow us to pierce the vial of the LLC and hold you both liable in addition to the LLC. It is likely I will be able to do so. In addition, you'll be paying legal fees likly rivaling a informal workout. Frankly guys your approach makes no sense. You should just make a deal on the terms.
In any event, you'll need to advise me very soon as to, what your wishes are as I am now instructed to move on the landlord's rights under the agreement.
If you like, please have the attorney who will be representing you and the LLC contact me.
I do wish you both well.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service

chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, February 12, 2009 5:56 PM
To: 'Clay Chavers'; robb@lakritzadler.com
Cc: amedhane@comcast.net
Subject: RE: Meeting to discuss Lease Modification

Clay,

Sorry for the delay, we had some unexpected meetings today that ran over.

We cannot proceed with a lease modification along the lines Abraham proposed yesterday. While the temporary reduced rent amount of $6,250/month is workable, we would also need a substantial number of additional renewal periods (much more than 3) and/or a substantial option price reduction for the deal to work. He indicated that he was not willing to negotiate on those points.

We are willing to provide a mutual release of the ground lease at no further cost to either of us. If Medal, Inc. wants to pursue 1920 8th Street, LLC for a default judgment, it is free to do so, but I cannot imagine that the end result would justify the cost, since this ground lease is the only meaningful asset of the LLC.

When the real estate development market comes back to life at some point in the future, if the property is still available, maybe we'll all be able to pick up where we left off, and salvage some value from our $500,000 investment.

Best regards,

Josh & Robb
Managing Members
1920 8th Street, LLC

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Thursday, February 12, 2009 4:48 PM
To: robb@lakritzadler.com
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification

You guys did not get back to my client by noon as agreeded. I called you two, after Medhane called me to advise that you'd not met your agreed time limit. I tried to call and was told that you unavailable.
You are not helping this by not meeting agreeded on schedules. What do you want to do. I've got to act on this now.

-----Original Message-----
From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Monday, February 09, 2009 1:58 PM
To: 'A. Medhane'; 'Clay Chavers'
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification
4:30 is fine

From: A. Medhane [mailto:amedhane@comcast.net]
Sent: Monday, February 09, 2009 1:38 PM

To: robb@lakritzadler.com; 'Clay Chavers'
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification

#.30 is not good for me. As mentioned 4.30 is right if not Thursday morning.

-----Original Message-----
From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Monday, February 09, 2009 1:34 PM
To: 'Clay Chavers'; 'A. Medhane'
Cc: 'Josh Adler'
Subject: Meeting to discuss Lease Modification

We and Abraham have agreed to sit and discuss the lease this Wednesday at 3:30 p.m. at our offices. 4326 8th St. NW, Washington, D.C. 20011. Please confirm.

4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809
www.lakritzadler.com

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

From: Clay Chavers <chavlawfirm@gmail.com>
Sent: Monday, February 16, 2009 6:46 PM
To: Goldschmidt, Stanley <SGoldschmidt@ralaw.com>
Cc: robb@lakritzadler.com; Josh Adler <josh@lakritzadler.com>; Aberham & Fattaneh Medhane <amedhane@comcast.net>
Subject: RE: Meeting to discuss Lease Modification

I'll ask Medhane about his availability.

-----Original Message-----
From: Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]
Sent: Monday, February 16, 2009 2:13 PM
To: Clay Chavers
Cc: robb@lakritzadler.com; Josh Adler
Subject: RE: Meeting to discuss Lease Modification

Clay - Something has come up, and I was wondering if we could move the phone call to 5:00pm on Wednesday.

Please advise. Thanks, Stan

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Monday, February 16, 2009 11:58 AM
To: Goldschmidt, Stanley
Subject: RE: Meeting to discuss Lease Modification

Hello Stan,

The contract spells out certain documents that are to be returned to the landlord in the event of default. They are, among other things, architectural designs, engineering diagrams, permits, certifications and the like. I have not reviewed the lease sales agreement lately for these specifically but, the parties are both familiar with it as they have exchanged these before.

My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.
1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]
Sent: Monday, February 16, 2009 10:26 AM
To: Clay Chavers
Cc: robb@lakritzadler.com; Josh Adler; Aberham & Fattaneh Medhane
Subject: RE: Meeting to discuss Lease Modification

Mr. Chavers - I am not sure I understand your e-mail. I take it that your client wants the Tenant to return some documents. Which documents are you referring to?

Thanks, Stan

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Monday, February 16, 2009 10:23 AM
To: Goldschmidt, Stanley
Cc: robb@lakritzadler.com; Josh Adler; Aberham & Fattaneh Medhane

Subject: RE: Meeting to discuss Lease Modification

Hello Stanley,
My client has asked me to request that you have your clients return of our documents as per their agreement, in the meanwhile.
Thank you for your cooperation.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Friday, February 13, 2009 5:14 PM
To: Goldschmidt, Stanley
Cc: robb@lakritzadler.com; Josh Adler; Aberham & Fattaneh Medhane
Subject: RE: Meeting to discuss Lease Modification
Importance: High

Hello Stanley,
I'm pleased that Rob and Josh have involved you again.
It would not be a productive use of our time to posture about our respective theories of the law like, piercing of corporate veils, as that is what the trier of fact is for. I do however, hope you will agree that, it is in the best interest of your clients to come to a work out of the damages as stated in the contract between the parties. In that regard, I will make my self available at the time you requested, Wednesday afternoon, February 18 at 4:00 pm.
Please call me at 410-531-6099 at that time so we can have that discussion. As you will have your clients on-line, I will also see if my client is available at that time.
I look forward to speaking with you then.

My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the

intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]
Sent: Friday, February 13, 2009 10:40 AM
To: chavlawfirm@gmail.com
Cc: robb@lakritzadler.com; Josh Adler
Subject: FW: Meeting to discuss Lease Modification
Importance: High

Mr. Chavers - As I think you know, I represent 1920 8th Street, LLC. I believe you and I were on a telephone call together last week with Robb and Josh.

While I disagree with a number of the statements in your e-mail below (especially with respect to your ability to "pierce the corporate veil"), Robb has asked that I set up a telephone call with you (along with Robb, Josh and myself) to explain in further detail what was discussed at the meeting.

Robb is out of town until next week and would be available to have this call on Wednesday afternoon, February 18 at 4:00 pm.

Does that work for you?

Thank you, Stan Goldschmidt

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: "Clay Chavers"
Date: Thu, 12 Feb 2009 19:15:52 -0500
To: Josh Adler<josh@lakritzadler.com>; <robb@lakritzadler.com>
Subject: RE: Meeting to discuss Lease Modification

Hello Josh and Rob,
I understand your decision but I'm certain you have made the wrong decision. Nevertheless, 1920 8th Street, LLC is in default and your offer to just walk away is unreasonable and thus unacceptable. It makes no business sense to execute a contract and then not try to live by that contract.
I would suggest you surrender all documents et al to the landlord in accordance with general practice between the landlord and tenants in default. My client will not forgo its compensation due in accordance with the lease agreement. Under the circumstances, I think you'd be better served to come to an agreeded on calculation of the existing damages

due. Thereafter, workout an acceptable term to payout those damages. At that point there will be no need for court involvement. In the alternative, we will employ the courts and sustain a judgment which can be enforced for up to 24 years. As you know an adverse judgment against a company where you were principals will adversely impact your creditworthiness and more. In addition, I am obligated to try and find legal concept which will allow us to pierce the vial of the LLC and hold you both liable in addition to the LLC. It is likely I will be able to do so. In addition, you'll be paying legal fees likly rivaling a informal workout. Frankly guys your approach makes no sense. You should just make a deal on the terms.
In any event, you'll need to advise me very soon as to, what your wishes are as I am now instructed to move on the landlord's rights under the agreement.
If you like, please have the attorney who will be representing you and the LLC contact me.
I do wish you both well.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, February 12, 2009 5:56 PM
To: 'Clay Chavers'; robb@lakritzadler.com
Cc: amedhane@comcast.net
Subject: RE: Meeting to discuss Lease Modification

Clay,

Sorry for the delay, we had some unexpected meetings today that ran over.

We cannot proceed with a lease modification along the lines Abraham proposed yesterday. While the temporary reduced rent amount of $6,250/month is workable, we would also need a substantial number of additional renewal periods (much more than 3) and/or a substantial option price reduction for the deal to work. He indicated that he was not willing to negotiate on those points.

We are willing to provide a mutual release of the ground lease at no further cost to either of us. If Medal, Inc. wants to pursue 1920 8th Street, LLC for a default judgment, it is free to do so, but I cannot imagine that the end result would justify the cost, since this ground lease is the only meaningful asset of the LLC.

When the real estate development market comes back to life at some point in the future, if the property is still available, maybe we'll all be able to pick up where we left off, and salvage some value from our $500,000 investment.

Best regards,

Josh & Robb
Managing Members
1920 8th Street, LLC

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Thursday, February 12, 2009 4:48 PM
To: robb@lakritzadler.com
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification

You guys did not get back to my client by noon as agreeded. I called you two, after Medhane called me to advise that you'd not met your agreed time limit. I tried to call and was told that you unavailable.
You are not helping this by not meeting agreeded on schedules. What do you want to do. I've got to act on this now.

-----Original Message-----
From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Monday, February 09, 2009 1:58 PM
To: 'A. Medhane'; 'Clay Chavers'
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification
4:30 is fine

From: A. Medhane [mailto:amedhane@comcast.net]
Sent: Monday, February 09, 2009 1:38 PM
To: robb@lakritzadler.com; 'Clay Chavers'
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification

#.30 is not good for me. As mentioned 4.30 is right if not Thursday morning.

-----Original Message-----
From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Monday, February 09, 2009 1:34 PM
To: 'Clay Chavers'; 'A. Medhane'
Cc: 'Josh Adler'
Subject: Meeting to discuss Lease Modification

We and Abraham have agreed to sit and discuss the lease this Wednesday at 3:30 p.m. at our offices. 4326 8th St. NW, Washington, D.C. 20011. Please confirm.

4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809
www.lakritzadler.com

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1)

avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

From: Goldschmidt, Stanley <SGoldschmidt@ralaw.com>
Sent: Monday, February 16, 2009 6:47 PM
To: Clay Chavers <chavlawfirm@gmail.com>
Cc: robb@lakritzadler.com; Josh Adler <josh@lakritzadler.com>; Aberham & Fattaneh Medhane <amedhane@comcast.net>
Subject: RE: Meeting to discuss Lease Modification

Thank you.

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Monday, February 16, 2009 6:46 PM
To: Goldschmidt, Stanley
Cc: robb@lakritzadler.com; Josh Adler; Aberham & Fattaneh Medhane
Subject: RE: Meeting to discuss Lease Modification

I'll ask Medhane about his availability.

> -----Original Message-----
> **From:** Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]
> **Sent:** Monday, February 16, 2009 2:13 PM
> **To:** Clay Chavers
> **Cc:** robb@lakritzadler.com; Josh Adler
> **Subject:** RE: Meeting to discuss Lease Modification
>
> Clay - Something has come up, and I was wondering if we could move the phone call to 5:00pm on Wednesday.
>
> Please advise. Thanks, Stan
>
> *Stanley H. Goldschmidt*
> **Roetzel & Andress**

1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Monday, February 16, 2009 11:58 AM
To: Goldschmidt, Stanley
Subject: RE: Meeting to discuss Lease Modification

Hello Stan,

The contract spells out certain documents that are to be returned to the landlord in the event of default. They are, among other things, architectural designs, engineering diagrams, permits, certifications and the like. I have not reviewed the lease sales agreement lately for these specifically but, the parties are both familiar with it as they have exchanged these before.

My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.
1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]
Sent: Monday, February 16, 2009 10:26 AM
To: Clay Chavers
Cc: robb@lakritzadler.com; Josh Adler; Aberham & Fattaneh Medhane
Subject: RE: Meeting to discuss Lease Modification

Mr. Chavers - I am not sure I understand your e-mail. I take it that your client wants the Tenant to

return some documents. Which documents are you referring to?

Thanks, Stan

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Monday, February 16, 2009 10:23 AM
To: Goldschmidt, Stanley
Cc: robb@lakritzadler.com; Josh Adler; Aberham & Fattaneh Medhane
Subject: RE: Meeting to discuss Lease Modification

Hello Stanley,
My client has asked me to request that you have your clients return of our documents as per their agreement, in the meanwhile.
Thank you for your cooperation.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Clay Chavers [mailto:chavlawfirm@gmail.com]

Sent: Friday, February 13, 2009 5:14 PM
To: Goldschmidt, Stanley
Cc: robb@lakritzadler.com; Josh Adler; Aberham & Fattaneh Medhane
Subject: RE: Meeting to discuss Lease Modification
Importance: High

Hello Stanley,
I'm pleased that Rob and Josh have involved you again.
It would not be a productive use of our time to posture about our respective theories of the law like, piercing of corporate veils, as that is what the trier of fact is for. I do however, hope you will agree that, it is in the best interest of your clients to come to a work out of the damages as stated in the contract between the parties. In that regard, I will make my self available at the time you requested, Wednesday afternoon, February 18 at 4:00 pm.
Please call me at 410-531-6099 at that time so we can have that discussion. As you will have your clients on-line, I will also see if my client is available at that time.
I look forward to speaking with you then.

My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]
Sent: Friday, February 13, 2009 10:40 AM
To: chavlawfirm@gmail.com
Cc: robb@lakritzadler.com; Josh Adler
Subject: FW: Meeting to discuss Lease Modification
Importance: High

Mr. Chavers - As I think you know, I represent 1920 8th Street, LLC. I believe you and I were on a telephone call together last week with Robb and Josh.

While I disagree with a number of the statements in your e-mail below (especially with respect to your ability to "pierce the corporate veil"), Robb has asked that I set up a telephone call with you (along with Robb, Josh and myself) to explain in further detail what was discussed at the meeting.

Robb is out of town until next week and would be available to have this call on Wednesday afternoon, February 18 at 4:00 pm.

Does that work for you?

Thank you, Stan Goldschmidt

Stanley H. Goldschmidt
Roetzel & Andress

1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: "Clay Chavers"
Date: Thu, 12 Feb 2009 19:15:52 -0500
To: Josh Adler<josh@lakritzadler.com>; <robb@lakritzadler.com>
Subject: RE: Meeting to discuss Lease Modification

Hello Josh and Rob,
I understand your decision but I'm certain you have made the wrong decision. Nevertheless, 1920 8th Street, LLC is in default and your offer to just walk away is unreasonable and thus unacceptable. It makes no business sense to execute a contract and then not try to live by that contract.
I would suggest you surrender all documents et al to the landlord in accordance with general practice between the landlord and tenants in default. My client will not forgo its compensation due in accordance with the lease agreement. Under the circumstances, I think you'd be better served to come to an agreeded on calculation of the existing damages due. Thereafter, workout an acceptable term to payout those damages. At that point there will be no need for court involvement. In the alternative, we will employ the courts and sustain a judgment which can be enforced for up to 24 years. As you know an adverse judgment against a company where you were principals will adversely impact your creditworthiness and more. In addition, I am obligated to try and find legal concept which will allow us to pierce the vial of the LLC and hold you both liable in addition to the LLC. It is likely I will be able to do so. In addition, you'll be paying legal fees likly rivaling a informal workout. Frankly guys your approach makes no sense. You should just make a deal on the terms.
In any event, you'll need to advise me very soon as to, what your wishes are as I am now instructed to move on the landlord's rights under the agreement.
If you like, please have the attorney who will be representing you and the LLC contact me.
I do wish you both well.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or

recommending to another person any tax-related matter.

-----Original Message-----
From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, February 12, 2009 5:56 PM
To: 'Clay Chavers'; robb@lakritzadler.com
Cc: amedhane@comcast.net
Subject: RE: Meeting to discuss Lease Modification

Clay,

Sorry for the delay, we had some unexpected meetings today that ran over.

We cannot proceed with a lease modification along the lines Abraham proposed yesterday. While the temporary reduced rent amount of $6,250/month is workable, we would also need a substantial number of additional renewal periods (much more than 3) and/or a substantial option price reduction for the deal to work. He indicated that he was not willing to negotiate on those points.

We are willing to provide a mutual release of the ground lease at no further cost to either of us. If Medal, Inc. wants to pursue 1920 8th Street, LLC for a default judgment, it is free to do so, but I cannot imagine that the end result would justify the cost, since this ground lease is the only meaningful asset of the LLC.

When the real estate development market comes back to life at some point in the future, if the property is still available, maybe we'll all be able to pick up where we left off, and salvage some value from our $500,000 investment.

Best regards,

Josh & Robb
Managing Members
1920 8th Street, LLC

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Thursday, February 12, 2009 4:48 PM
To: robb@lakritzadler.com
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification

You guys did not get back to my client by noon as agreeded. I called you two, after Medhane called me to advise that you'd not met your agreed time limit. I tried to call and was told that you unavailable.
You are not helping this by not meeting agreeded on schedules. What do you want to do. I've got to act on this now.

-----Original Message-----
From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Monday, February 09, 2009 1:58 PM
To: 'A. Medhane'; 'Clay Chavers'
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification
4:30 is fine

From: A. Medhane [mailto:amedhane@comcast.net]
Sent: Monday, February 09, 2009 1:38 PM
To: robb@lakritzadler.com; 'Clay Chavers'
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification

#.30 is not good for me. As mentioned 4.30 is right if not Thursday morning.

-----Original Message-----
From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Monday, February 09, 2009 1:34 PM
To: 'Clay Chavers'; 'A. Medhane'

Cc: 'Josh Adler'
Subject: Meeting to discuss Lease Modification

We and Abraham have agreed to sit and discuss the lease this Wednesday at 3:30 p.m. at our offices. 4326 8th St. NW, Washington, D.C. 20011. Please confirm.

4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809
www.lakritzadler.com

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

From: Goldschmidt, Stanley <SGoldschmidt@ralaw.com>
Sent: Tuesday, February 17, 2009 8:05 AM
To: Clay Chavers <chavlawfirm@gmail.com>
Cc: robb@lakritzadler.com; Josh Adler <josh@lakritzadler.com>; Aberham & Fattaneh Medhane <amedhane@comcast.net>
Subject: RE: Meeting to discuss Lease Modification

Were you able to check with Mr. Medhane?

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Monday, February 16, 2009 6:46 PM
To: Goldschmidt, Stanley
Cc: robb@lakritzadler.com; Josh Adler; Aberham & Fattaneh Medhane
Subject: RE: Meeting to discuss Lease Modification

I'll ask Medhane about his availability.

> -----Original Message-----
> **From:** Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]
> **Sent:** Monday, February 16, 2009 2:13 PM
> **To:** Clay Chavers
> **Cc:** robb@lakritzadler.com; Josh Adler
> **Subject:** RE: Meeting to discuss Lease Modification
>
> Clay - Something has come up, and I was wondering if we could move the phone call to 5:00pm on Wednesday.
>
> Please advise. Thanks, Stan
>
> *Stanley H. Goldschmidt*
> **Roetzel & Andress**

1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Monday, February 16, 2009 11:58 AM
To: Goldschmidt, Stanley
Subject: RE: Meeting to discuss Lease Modification

Hello Stan,

The contract spells out certain documents that are to be returned to the landlord in the event of default. They are, among other things, architectural designs, engineering diagrams, permits, certifications and the like. I have not reviewed the lease sales agreement lately for these specifically but, the parties are both familiar with it as they have exchanged these before.

My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.
1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]
Sent: Monday, February 16, 2009 10:26 AM
To: Clay Chavers
Cc: robb@lakritzadler.com; Josh Adler; Aberham & Fattaneh Medhane
Subject: RE: Meeting to discuss Lease Modification

Mr. Chavers - I am not sure I understand your e-mail. I take it that your client wants the Tenant to

return some documents. Which documents are you referring to?

Thanks, Stan

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Monday, February 16, 2009 10:23 AM
To: Goldschmidt, Stanley
Cc: robb@lakritzadler.com; Josh Adler; Aberham & Fattaneh Medhane
Subject: RE: Meeting to discuss Lease Modification

Hello Stanley,
My client has asked me to request that you have your clients return of our documents as per their agreement, in the meanwhile.
Thank you for your cooperation.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Clay Chavers [mailto:chavlawfirm@gmail.com]

Sent: Friday, February 13, 2009 5:14 PM
To: Goldschmidt, Stanley
Cc: robb@lakritzadler.com; Josh Adler; Aberham & Fattaneh Medhane
Subject: RE: Meeting to discuss Lease Modification
Importance: High

Hello Stanley,
I'm pleased that Rob and Josh have involved you again.
It would not be a productive use of our time to posture about our respective theories of the law like, piercing of corporate veils, as that is what the trier of fact is for. I do however, hope you will agree that, it is in the best interest of your clients to come to a work out of the damages as stated in the contract between the parties. In that regard, I will make my self available at the time you requested, Wednesday afternoon, February 18 at 4:00 pm.
Please call me at 410-531-6099 at that time so we can have that discussion. As you will have your clients on-line, I will also see if my client is available at that time.
I look forward to speaking with you then.

My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]
Sent: Friday, February 13, 2009 10:40 AM
To: chavlawfirm@gmail.com
Cc: robb@lakritzadler.com; Josh Adler
Subject: FW: Meeting to discuss Lease Modification
Importance: High

Mr. Chavers - As I think you know, I represent 1920 8th Street, LLC. I believe you and I were on a telephone call together last week with Robb and Josh.

While I disagree with a number of the statements in your e-mail below (especially with respect to your ability to "pierce the corporate veil"), Robb has asked that I set up a telephone call with you (along with Robb, Josh and myself) to explain in further detail what was discussed at the meeting.

Robb is out of town until next week and would be available to have this call on Wednesday afternoon, February 18 at 4:00 pm.

Does that work for you?

Thank you, Stan Goldschmidt

Stanley H. Goldschmidt
Roetzel & Andress

1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

From: "Clay Chavers"
Date: Thu, 12 Feb 2009 19:15:52 -0500
To: Josh Adler<josh@lakritzadler.com>; <robb@lakritzadler.com>
Subject: RE: Meeting to discuss Lease Modification

Hello Josh and Rob,
I understand your decision but I'm certain you have made the wrong decision. Nevertheless, 1920 8th Street, LLC is in default and your offer to just walk away is unreasonable and thus unacceptable. It makes no business sense to execute a contract and then not try to live by that contract.
I would suggest you surrender all documents et al to the landlord in accordance with general practice between the landlord and tenants in default. My client will not forgo its compensation due in accordance with the lease agreement. Under the circumstances, I think you'd be better served to come to an agreeded on calculation of the existing damages due. Thereafter, workout an acceptable term to payout those damages. At that point there will be no need for court involvement. In the alternative, we will employ the courts and sustain a judgment which can be enforced for up to 24 years. As you know an adverse judgment against a company where you were principals will adversely impact your creditworthiness and more. In addition, I am obligated to try and find legal concept which will allow us to pierce the vial of the LLC and hold you both liable in addition to the LLC. It is likely I will be able to do so. In addition, you'll be paying legal fees likly rivaling a informal workout. Frankly guys your approach makes no sense. You should just make a deal on the terms.
In any event, you'll need to advise me very soon as to, what your wishes are as I am now instructed to move on the landlord's rights under the agreement.
If you like, please have the attorney who will be representing you and the LLC contact me.
I do wish you both well.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.

1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or

recommending to another person any tax-related matter.

-----Original Message-----
From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, February 12, 2009 5:56 PM
To: 'Clay Chavers'; robb@lakritzadler.com
Cc: amedhane@comcast.net
Subject: RE: Meeting to discuss Lease Modification

Clay,

Sorry for the delay, we had some unexpected meetings today that ran over.

We cannot proceed with a lease modification along the lines Abraham proposed yesterday. While the temporary reduced rent amount of $6,250/month is workable, we would also need a substantial number of additional renewal periods (much more than 3) and/or a substantial option price reduction for the deal to work. He indicated that he was not willing to negotiate on those points.

We are willing to provide a mutual release of the ground lease at no further cost to either of us. If Medal, Inc. wants to pursue 1920 8th Street, LLC for a default judgment, it is free to do so, but I cannot imagine that the end result would justify the cost, since this ground lease is the only meaningful asset of the LLC.

When the real estate development market comes back to life at some point in the future, if the property is still available, maybe we'll all be able to pick up where we left off, and salvage some value from our $500,000 investment.

Best regards,

Josh & Robb
Managing Members
1920 8th Street, LLC

From: Clay Chavers [mailto:chavlawfirm@gmail.com]
Sent: Thursday, February 12, 2009 4:48 PM
To: robb@lakritzadler.com
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification

You guys did not get back to my client by noon as agreeded. I called you two, after Medhane called me to advise that you'd not met your agreed time limit. I tried to call and was told that you unavailable.
You are not helping this by not meeting agreeded on schedules. What do you want to do. I've got to act on this now.

-----Original Message-----
From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Monday, February 09, 2009 1:58 PM
To: 'A. Medhane'; 'Clay Chavers'
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification
4:30 is fine

From: A. Medhane [mailto:amedhane@comcast.net]
Sent: Monday, February 09, 2009 1:38 PM
To: robb@lakritzadler.com; 'Clay Chavers'
Cc: 'Josh Adler'
Subject: RE: Meeting to discuss Lease Modification

#.30 is not good for me. As mentioned 4.30 is right if not Thursday morning.

-----Original Message-----
From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Monday, February 09, 2009 1:34 PM
To: 'Clay Chavers'; 'A. Medhane'

Cc: 'Josh Adler'
Subject: Meeting to discuss Lease Modification

We and Abraham have agreed to sit and discuss the lease this Wednesday at 3:30 p.m. at our offices. 4326 8th St. NW, Washington, D.C. 20011. Please confirm.

4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809
www.lakritzadler.com

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Friday, February 20, 2009 1:31 AM
To: 'Tihisha Girmai' <girmaiparking@gmail.com>
Cc: 'Goldschmidt, Stanley' <SGoldschmidt@ralaw.com>; 'Josh Adler' <josh@lakritzadler.com>; 'Brad Voight - LA' <brad@lakritzadler.com>
Subject: RE: Parking Lot

Tihisha,

Contrary to what you been told by Dr. Medhane, 1920 8th St. LLC remains the tenant in possession at 1920 8th St. under our lease with Medal Inc. dated August 2007, and you are still its subtenant under our lease with you.

Therefore, you should continue to make payments to 1920 8th St. LLC.

If you have any questions, please call me at 202-882-0808.

Best,

Robb LaKritz
1920 8th St. Venture LLC, Managing Member
1920 8th St. LLC

From: Tihisha Girmai [mailto:girmaiparking@gmail.com]
Sent: Tuesday, February 17, 2009 11:15 AM
To: robb@lakritzadler.com
Subject: Parking Lot

Robb,

It is has been brought to my attention by Dr. Medhane that you and your partner are no longer involved on 1918 8th street. I want to thank you for the opportunity to lease the lot from you. It has been a pleasure working with you Robb. I would like to know when I can come by and get my security deposit. Thank you once again.

--
Tihisha Girmai
TLG One Corp.
President

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Friday, February 20, 2009 1:34 AM
To: 'Brad Voight - LA' <brad@lakritzadler.com>
Subject: FW: Parking Lot

We need to continue to collect T's $3000 payments each month and deposit them into the 1920 8th St. account according to Stan.

From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Friday, February 20, 2009 1:31 AM
To: 'Tihisha Girmai'
Cc: 'Goldschmidt, Stanley'; 'Josh Adler'; 'Brad Voight - LA'
Subject: RE: Parking Lot
Importance: High

Tihisha,

Contrary to what you been told by Dr. Medhane, 1920 8th St. LLC remains the tenant in possession at 1920 8th St. under our lease with Medal Inc. dated August 2007, and you are still its subtenant under our lease with you.

Therefore, you should continue to make payments to 1920 8th St. LLC.

If you have any questions, please call me at 202-882-0808.

Best,

Robb LaKritz
1920 8th St. Venture LLC, Managing Member
1920 8th St. LLC

From: Tihisha Girmai [mailto:girmaiparking@gmail.com]
Sent: Tuesday, February 17, 2009 11:15 AM
To: robb@lakritzadler.com
Subject: Parking Lot

Robb,

It is has been brought to my attention by Dr. Medhane that you and your partner are no longer involved on 1918 8th street. I want to thank you for the opportunity to lease the lot from you. It has been a pleasure working with you Robb. I would like to know when I can come by and get my security deposit. Thank you once again.

--
Tihisha Girmai
TLG One Corp.
President

From: Goldschmidt, Stanley <SGoldschmidt@ralaw.com>
Sent: Friday, February 20, 2009 8:59 AM
To: Clay Chavers <chavlawfirm@gmail.com>
Cc: Robb LaKritz <robb@lakritzadler.com>; Josh Adler <josh@lakritzadler.com>
Subject: 1920 8th Street
Attach: Document.pdf

Mr. Chavers - Please see attached letter.

Stan Goldschmidt

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

ROETZEL & ANDRESS
A LEGAL PROFESSIONAL ASSOCIATION

1300 EYE STREET N.W.
SUITE 400 EAST
WASHINGTON, DC 20005
202.216.8306 DIRECT
202.625.0600 MAIN
202.338.6340 FAX
sgoldschmidt@ralaw.com

February 20, 2009

VIA E-MAIL AND US MAIL

Clayborne E. Chavers, Sr., Esq.
The Chavers Law Firm, P.C.
1250 Connecticut Avenue, NW
Suite 200
Washington, DC 20036

Re: 1920 8th Street, NW
Washington, DC

Dear Mr. Chavers:

As you know, this firm represents 1920 8th Street, LLC, the tenant at the above referenced property (the "Tenant").

It has come to the Tenant's attention that Dr. Medhane has informed the subtenant that the Tenant is "no longer involved" with the property. Presumably, Dr. Medhane informed the subtenant that rent under the sublease should be paid to him rather than to the Tenant.

Please be advised that since the Lease for the property has not been terminated, these statements by Dr. Medhane constitute tortuous interference with the Tenant's contractual relationship with the subtenant and are actionable. Furthermore, Dr. Medhane has no right to collect any rent from the subtenant and to the extent that he has done so, he should disgorge the payment(s) to the Tenant immediately.

I request that you inform your client to cease and desist from these actions. Please confirm that you will do so, and that Dr. Medhane will pay over any rent collected from the subtenant to the Tenant.

The Tenant reserves all rights against Dr. Medhane.

Sincerely,

ROETZEL & ANDRESS, LPA

Stanley H. Goldschmidt

SHG

CONFIDENTIAL LA 984

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 016960

cc: Mr. Robb LaKritz (via e-mail)
Mr. Joshua Adler (via e-mail)

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and can not be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.
14931 v_01 \ 117260.0021

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Friday, February 20, 2009 2:11 PM
To: 'Brad Voight - LA' <brad@lakritzadler.com>
Subject: RE: Parking Lot

I would just record it as income; the payable should be the rent we owe Medhane, which should simply accrue on the books.

From: Brad Voight - LA [mailto:brad@lakritzadler.com]
Sent: Friday, February 20, 2009 11:21 AM
To: robb@lakritzadler.com
Subject: RE: Parking Lot

Since we stopped making ground lease rent payments to Medal Inc, we've only received the January rent payment from Tihisha. I was unsure whether we were entitled to retain it so after depositing the payment, I have recorded it as a payable due to Medal Inc.

Bradley M. Voight, CPA
Vice President - Finance & Accounting

LAKRITZ ADLER

LaKritz Adler Development LLC
4326 8th Street, NW
Washington, DC 20011
E-Mail: Brad@LaKritzAdler.com
Phone: 202-882-0808
Fax: 202-882-0809
Cell: 301-742-5789

-----Original Message-----
From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: 02/20/2009 1:34 AM
To: 'Brad Voight - LA'
Subject: FW: Parking Lot
Importance: High

We need to continue to collect T's $3000 payments each month and deposit them into the 1920 8th St. account according to Stan.

From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Friday, February 20, 2009 1:31 AM
To: 'Tihisha Girmai'
Cc: 'Goldschmidt, Stanley'; 'Josh Adler'; 'Brad Voight - LA'
Subject: RE: Parking Lot
Importance: High

Tihisha,

Contrary to what you been told by Dr. Medhane, 1920 8th St. LLC remains the tenant in possession at 1920 8th St. under our lease with Medal Inc. dated August 2007, and you are still its subtenant under our lease with you.

Therefore, you should continue to make payments to 1920 8th St. LLC.

If you have any questions, please call me at 202-882-0808.

Best,

Robb LaKritz
1920 8th St. Venture LLC, Managing Member
1920 8th St. LLC

From: Tihisha Girmai [mailto:girmaiparking@gmail.com]
Sent: Tuesday, February 17, 2009 11:15 AM
To: robb@lakritzadler.com
Subject: Parking Lot

Robb,

It is has been brought to my attention by Dr. Medhane that you and your partner are no longer involved on 1918 8th street. I want to thank you for the opportunity to lease the lot from you. It has been a pleasure working with you Robb. I would like to know when I can come by and get my security deposit. Thank you once again.

--
Tihisha Girmai
TLG One Corp.
President

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Monday, February 23, 2009 12:02 PM
To: 'Tihisha Girmai' <girmaiparking@gmail.com>
Subject: RE: Parking Lot

Great thanks.

From: Tihisha Girmai [mailto:girmaiparking@gmail.com]
Sent: Monday, February 23, 2009 11:03 AM
To: <robb@lakritzadler.com>
Subject: Re: Parking Lot

I will be by Tomm to drop of rent payment

Sent from my iPhone

On Feb 20, 2009, at 1:31 AM, "Robb LaKritz" <robb@lakritzadler.com> wrote:

Tihisha,

Contrary to what you been told by Dr. Medhane, 1920 8th St. LLC remains the tenant in possession at 1920 8th St. under our lease with Medal Inc. dated August 2007, and you are still its subtenant under our lease with you.

Therefore, you should continue to make payments to 1920 8th St. LLC.

If you have any questions, please call me at 202-882-0808.

Best,

Robb LaKritz
1920 8th St. Venture LLC, Managing Member
1920 8th St. LLC

From: Tihisha Girmai [mailto:girmaiparking@gmail.com]
Sent: Tuesday, February 17, 2009 11:15 AM
To: robb@lakritzadler.com
Subject: Parking Lot

Robb,

It is has been brought to my attention by Dr. Medhane that you and your partner are no longer involved on 1918 8th street. I want to thank you for the opportunity to lease the lot from you. It has been a pleasure working with you Robb. I would like to know when I can come by and get my security deposit. Thank you once again.

--
Tihisha Girmai
TLG One Corp.
President

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Monday, February 23, 2009 12:02 PM
To: 'Tihisha Girmai' <girmaiparking@gmail.com>
Subject: RE: Parking Lot

Yes – in the afternoon.

From: Tihisha Girmai [mailto:girmaiparking@gmail.com]
Sent: Monday, February 23, 2009 10:06 AM
To: <robb@lakritzadler.com>
Subject: Re: Parking Lot

can we meet Tomm?

Sent from my iPhone

On Feb 20, 2009, at 1:31 AM, "Robb LaKritz" <robb@lakritzadler.com> wrote:

Tihisha,

Contrary to what you been told by Dr. Medhane, 1920 8th St. LLC remains the tenant in possession at 1920 8th St. under our lease with Medal Inc. dated August 2007, and you are still its subtenant under our lease with you.

Therefore, you should continue to make payments to 1920 8th St. LLC.

If you have any questions, please call me at 202-882-0808.

Best,

Robb LaKritz
1920 8th St. Venture LLC, Managing Member
1920 8th St. LLC

From: Tihisha Girmai [mailto:girmaiparking@gmail.com]
Sent: Tuesday, February 17, 2009 11:15 AM
To: robb@lakritzadler.com
Subject: Parking Lot

Robb,

It is has been brought to my attention by Dr. Medhane that you and your partner are no longer involved on 1918 8th street. I want to thank you for the opportunity to lease the lot from you. It has been a pleasure working with you Robb. I would like to know when I can come by and get my security deposit. Thank you once again.

--
Tihisha Girmai
TLG One Corp.
President

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Tuesday, February 24, 2009 1:10 PM
To: 'Tihisha Girmai' <girmaiparking@gmail.com>
Subject: RE: Parking Lot

---

ok

From: Tihisha Girmai [mailto:girmaiparking@gmail.com]
Sent: Tuesday, February 24, 2009 1:06 PM
To: <robb@lakritzadler.com>
Subject: Re: Parking Lot

I will be there between 2 and 3

Sent from my iPhone

On Feb 23, 2009, at 12:02 PM, "Robb LaKritz" <robb@lakritzadler.com> wrote:

> Yes – in the afternoon.
>
> **From:** Tihisha Girmai [mailto:girmaiparking@gmail.com]
> **Sent:** Monday, February 23, 2009 10:06 AM
> **To:** <robb@lakritzadler.com>
> **Subject:** Re: Parking Lot
>
> can we meet Tomm?
>
> Sent from my iPhone
>
> On Feb 20, 2009, at 1:31 AM, "Robb LaKritz" <robb@lakritzadler.com> wrote:
>
>> Tihisha,
>>
>> Contrary to what you been told by Dr. Medhane, 1920 8th St. LLC remains the tenant in possession at 1920 8th St. under our lease with Medal Inc. dated August 2007, and you are still its subtenant under our lease with you.
>>
>> Therefore, you should continue to make payments to 1920 8th St. LLC.
>>
>> If you have any questions, please call me at 202-882-0808.
>>
>> Best,
>>
>> Robb LaKritz
>> 1920 8th St. Venture LLC, Managing Member
>> 1920 8th St. LLC
>>
>> **From:** Tihisha Girmai [mailto:girmaiparking@gmail.com]
>> **Sent:** Tuesday, February 17, 2009 11:15 AM
>> **To:** robb@lakritzadler.com
>> **Subject:** Parking Lot
>>
>> Robb,

It is has been brought to my attention by Dr. Medhane that you and your partner are no longer involved on 1918 8th street. I want to thank you for the opportunity to lease the lot from you. It has been a pleasure working with you Robb. I would like to know when I can come by and get my security deposit. Thank you once again.

--
Tihisha Girmai
TLG One Corp.
President

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Tuesday, February 24, 2009 4:42 PM
To: 'Josh Adler' <josh@lakritzadler.com>
Subject: FW: 1920 8th Street Ledger Details
Attach: 1920 8th St - Bal Sht Details 02-24-2009.xls

No outstanding loans to 1920 8th St. LLC (second tab).

From: Brad Voight - LA [mailto:brad@lakritzadler.com]
Sent: Tuesday, February 24, 2009 4:34 PM
To: robb@lakritzadler.com
Subject: 1920 8th Street Ledger Details

It's attached. Remember there are two tabs, one for 1920 Eighth LLC and one for 1920 8th Street LLC.

Bradley M. Voight, CPA
Vice President - Finance & Accounting

LAKRITZ ADLER

LaKritz Adler Development LLC
4326 8th Street, NW
Washington, DC 20011
E-Mail: Brad@LaKritzAdler.com
Phone: 202-882-0808
Fax: 202-882-0809
Cell: 301-742-5789

FOIA CONFIDENTIAL TREATMENT REQUESTED

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	A	B	C	D	E
1					
2	ASSETS				
3		Current Assets			
4			Checking/Savings		
5				BB&T-Checking Acct#5162-740-638	
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43				Total BB&T-Checking Acct#5162-740-638	
44				Regional Title Escrow-Medal Inc	
45					
46					

CONFIDENTIAL

WMATA-INV 016975

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	F	G	H	I	J	K	L	M	N	O	P
1				Type		Date		Num		Name	
2											
3											
4											
5											
6				Deposit		07/31/2007					
7				Check		08/06/2007		093		Medal, Inc.	
8				Deposit		08/07/2007		EFT		LaKritz Adler Development LLC	
9				Check		08/07/2007		EFT		Regional Title Inc	
10				Bill Pmt -Check		08/31/2007		094		Corporation Service Company	
11				Deposit		08/31/2007					
12				Check		09/30/2007					
13				Deposit		09/30/2007					
14				Bill Pmt -Check		10/01/2007		1001		Corporation Service Company	
15				Bill Pmt -Check		10/01/2007		1002		McKeever Services Corporation	
16				Bill Pmt -Check		10/01/2007		1003		New England Business Service Inc	
17				Deposit		10/01/2007		EFT		LaKritz Adler Development LLC	
18				Bill Pmt -Check		10/01/2007		1004		Medal, Inc.	
19				Deposit		10/09/2007					
20				Bill Pmt -Check		10/17/2007		1005		Bean, Kinney & Korman	
21				Bill Pmt -Check		10/17/2007		1006		McKeever Services Corporation	
22				Deposit		10/17/2007		EFT		LaKritz Adler Development LLC	
23				Deposit		10/26/2007					
24				Check		10/31/2007					
25				Deposit		10/31/2007					
26				Bill Pmt -Check		11/02/2007		1007		BB&T	
27				Deposit		11/13/2007		EFT		LaKritz Adler Development LLC	
28				Bill Pmt -Check		11/13/2007		1008		Medal, Inc.	
29				Bill Pmt -Check		11/19/2007		1009		Core Group, PC	
30				Bill Pmt -Check		11/19/2007		1010		Holland & Knight LLP	
31				Deposit		11/19/2007		EFT		LaKritz Adler Development LLC	
32				Deposit		11/30/2007		EFT		LaKritz Adler Development LLC	
33				Check		11/30/2007					
34				Deposit		11/30/2007					
35				Bill Pmt -Check		12/03/2007		1011		Medal, Inc.	
36				Deposit		12/05/2007					
37				Bill Pmt -Check		12/06/2007		1012		Core Group, PC	
38				Deposit		12/06/2007		EFT		LaKritz Adler Development LLC	
39				General Journal		12/13/2007		Reimb Costs			
40				Check		12/13/2007		EFT		LaKritz Adler Development LLC	
41				Check		12/13/2007		EFT		LaKritz Adler Investments LLC	
42				Check		12/20/2007		EFT		LaKritz Adler Development LLC	
43											
44											
45				Deposit		08/07/2007		EFT		LaKritz Adler Investments LLC	
46				Check		08/07/2007		EFT		Regional Title Inc	

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016976

FOIA CONFIDENTIAL TREATMENT REQUESTED

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	Q	R	S	T	U
1	Memo		Amount		Balance
2					10,150.94
3					1,000.00
4					1,000.00
5					1,000.00
6	Interest		0.04		1,000.04
7	Landlord Legal Fees - Ground Lease		-35,000.00		-33,999.96
8	Advance		105,000.00		71,000.04
9	Additional Escrow Funds for Medal Inc Ground Lease		-68,000.00		3,000.04
10			-716.28		2,283.76
11	Interest		5.04		2,288.80
12	Service Charge		-22.50		2,266.30
13	Interest		0.11		2,266.41
14	Acct#7594991		-800.00		1,466.41
15	VOID: Project#D07-0605		0.00		1,466.41
16			-64.62		1,401.79
17	Advance		15,000.00		16,401.79
18	Additional Payment Due Re: Ground Lease of 1920 8th St NW		-15,000.00		1,401.79
19	Deposit		825.30		2,227.09
20	Reimbursement for Legal-1920 8th St LLC		-3,687.50		-1,460.41
21	Project#D07-0605		-250.00		-1,710.41
22	Advance		3,000.00		1,289.59
23	Deposit		6,000.00		7,289.59
24	Service Charge		-25.00		7,264.59
25	Interest		2.37		7,266.96
26	Letter of Credit Origination-WMATA Proposal 8th & U Sts		-1,000.00		6,266.96
27	Advance		2,000.00		8,266.96
28			-6,562.50		1,704.46
29			-10,232.04		-8,527.58
30			-25,261.79		-33,789.37
31	Advance		35,000.00		1,210.63
32	Advance		7,000.00		8,210.63
33	Service Charge		-15.00		8,195.63
34	Interest		19.07		8,214.70
35	Dec 2007 Lease Subordination Fee		-6,250.00		1,964.70
36	Deposit		3,000.00		4,964.70
37			-6,388.16		-1,423.46
38	Advance		15,000.00		13,576.54
39	Reimb for All Costs Incurred on Behalf of 1920 8th Street LLC (Net of Receipts)		275,894.87		289,471.41
40	Repay Advances		-190,000.00		99,471.41
41	Repay Advance		-97,170.47		2,300.94
42	Repay Advances		-2,300.94		0.00
43			-1,000.00		0.00
44					0.00
45	Transfer LAI Escrow at Regional to 1920 Eighth LLC's Escrow at Regional for Medal Inc Ground Lease		97,170.47		97,170.47
46	Additional Escrow Funds for Medal Inc Ground Lease		68,000.00		165,170.47

CONFIDENTIAL

WMATA-INV 016977

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	A	B	C	D	E
47					
48					
49					
50				Total Regional Title Escrow-Medal Inc	
51			Total Checking/Savings		
52			**Accounts Receivable**		
53				**Accounts Receivable**	
54					
55					
56					
57					
58					
59				Total Accounts Receivable	
60			Total Accounts Receivable		
61			**Other Current Assets**		
62				**Construction in process**	
63					**1000-Planning & PreConst**
64					Total 1000-Planning & PreConst
65					**1100-Demolition**
66					Total 1100-Demolition
67					**1200-Foundation**
68					Total 1200-Foundation
69					**1300-Framing**
70					Total 1300-Framing
71					**1400-Metal Building Structure**
72					Total 1400-Metal Building Structure
73					**1500-Ext Windows & Doors**
74					Total 1500-Ext Windows & Doors
75					**1600-Mechanical Systems**
76					Total 1600-Mechanical Systems
77					**1800-Roofing**
78					Total 1800-Roofing
79					**1900-Insulation & Drywall**
80					Total 1900-Insulation & Drywall
81					**2000-Exterior Veneer**
82					Total 2000-Exterior Veneer
83					**2100-Cabinetry**
84					Total 2100-Cabinetry
85					**2200-Interior Trim & Stairs**
86					Total 2200-Interior Trim & Stairs
87					**2300-Floorcoverings**
88					Total 2300-Floorcoverings
89					**2400-Tile & Ceramics**
90					Total 2400-Tile & Ceramics
91					**2500-Interior Finishes**
92					Total 2500-Interior Finishes

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 016978

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	F	G	H	I	J	K	L	M	N	O	P
47				Check		09/30/2007		EFT		Medal, Inc.	
48				Check		09/30/2007		EFT		Medal, Inc.	
49				Deposit		10/09/2007		71353		Regional Title Inc	
50											
51											
52											
53											
54				Deposit		10/26/2007		200156626		TLG One Corp	
55				Invoice		10/26/2007		2		TLG One Corp	
56				Invoice		11/01/2007		1		TLG One Corp	
57				Invoice		12/01/2007		3		TLG One Corp	
58				Deposit		12/05/2007		1130		TLG One Corp	
59											
60											
61											
62											
63											
64											
65											
66											
67											
68											
69											
70											
71											
72											
73											
74											
75											
76											
77											
78											
79											
80											
81											
82											
83											
84											
85											
86											
87											
88											
89											
90											
91											
92											

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016979

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	Q	R	S	T	U
47	Addl Landlord Legal Reimbursement		-15,000.00		150,170.47
48			-150,000.00		170.47
49	Deposit		-170.47		0.00
50			0.00		0.00
51			-1,000.00		0.00
52					0.00
53					0.00
54	Nov Rent & Sec Dep		-6,000.00		-6,000.00
55			3,000.00		-3,000.00
56			3,000.00		0.00
57			3,000.00		3,000.00
58	Dec Rent		-3,000.00		0.00
59			0.00		0.00
60			0.00		0.00
61					0.00
62					0.00
63					0.00
64					0.00
65					0.00
66					0.00
67					0.00
68					0.00
69					0.00
70					0.00
71					0.00
72					0.00
73					0.00
74					0.00
75					0.00
76					0.00
77					0.00
78					0.00
79					0.00
80					0.00
81					0.00
82					0.00
83					0.00
84					0.00
85					0.00
86					0.00
87					0.00
88					0.00
89					0.00
90					0.00
91					0.00
92					0.00

FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 016980
CONFIDENTIAL
LA 998

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	A	B	C	D	E
93					**2600-Door & Closet Hardware**
94					Total 2600-Door & Closet Hardware
95					**2700-Bath Hardware**
96					Total 2700-Bath Hardware
97					**2800-Appliances**
98					Total 2800-Appliances
99					**2900-Site Improvement**
100					Total 2900-Site Improvement
101					**3000-Exterior Area & Finish**
102					Total 3000-Exterior Area & Finish
103					**3100-Specialty Options**
104					Total 3100-Specialty Options
105					**3200-Const Clean Up**
106					Total 3200-Const Clean Up
107					**3300-Project Overhead**
108					Total 3300-Project Overhead
109					**3400-Construction overhead**
110					Total 3400-Construction overhead
111					**Builders risk insurarnce**
112					Total Builders risk insurarnce
113					**Capitalized interest**
114					Total Capitalized interest
115					**Settlement Costs**
116					Total Settlement Costs
117					**Construction in process - Other**
118					Total Construction in process - Other
119				Total Construction in process	
120				**Due from Condo Association**	
121				Total Due from Condo Association	
122				**Due to Gallatin Construction**	
123				Total Due to Gallatin Construction	
124				**Gallatin Company**	
125				Total Gallatin Company	
126				**Retentions Receivable**	
127				Total Retentions Receivable	
128			Total Other Current Assets		
129		Total Current Assets			
130		**Fixed Assets**			
131			**Accumulated Depreciation**		
132			Total Accumulated Depreciation		
133			**Architect**		
134			Total Architect		
135			**Building**		
136				**Construction in process**	
137				Total Construction in process	
138				**Building - Other**	

CONFIDENTIAL

LA 999

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016981

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	F	G	H	I	J	K	L	M	N	O	P
93											
94											
95											
96											
97											
98											
99											
100											
101											
102											
103											
104											
105											
106											
107											
108											
109											
110											
111											
112											
113											
114											
115											
116											
117											
118											
119											
120											
121											
122											
123											
124											
125											
126											
127											
128											
129											
130											
131											
132											
133											
134											
135											
136											
137											
138											

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016982

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	Q	R	S	T	U
93					0.00
94					0.00
95					0.00
96					0.00
97					0.00
98					0.00
99					0.00
100					0.00
101					0.00
102					0.00
103					0.00
104					0.00
105					0.00
106					0.00
107					0.00
108					0.00
109					0.00
110					0.00
111					0.00
112					0.00
113					0.00
114					0.00
115					0.00
116					0.00
117					0.00
118					0.00
119					0.00
120					0.00
121					0.00
122					0.00
123					0.00
124					0.00
125					0.00
126					0.00
127					0.00
128					0.00
129			-1,000.00		0.00
130					0.00
131					0.00
132					0.00
133					0.00
134					0.00
135					0.00
136					0.00
137					0.00
138					0.00

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016983

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	A	B	C	D	E
139				Total Building - Other	
140			Total Building		
141			**Improvements**		
142			Total Improvements		
143		Total Fixed Assets			
144		**Other Assets**			
145			**Deposit/Earnest Money**		
146			Total Deposit/Earnest Money		
147			**Development at 8th & U Sts NW**		
148				**Architectural Renderings**	
149					
150					
151					
152					
153				Total Architectural Renderings	
154				**Ground Lease Related Legal**	
155					
156					
157					
158					
159					
160					
161					
162					
163					
164					
165					
166				Total Ground Lease Related Legal	
167				**Pre-Development Ground Rents**	
168					
169					
170				Total Pre-Development Ground Rents	
171				**WMATA Proposal Costs**	
172					
173					
174				Total WMATA Proposal Costs	
175				**Development at 8th & U Sts NW - Other**	
176				Total Development at 8th & U Sts NW - Other	
177			Total Development at 8th & U Sts NW		
178			**Land**		
179			Total Land		
180			**Organizational costs**		
181			Total Organizational costs		
182			**Settlement Costs**		
183			Total Settlement Costs		
184		Total Other Assets			

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016984

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	F	G	H	I	J	K	L	M	N	O	P
139											
140											
141											
142											
143											
144											
145											
146											
147											
148											
149				Bill		09/25/2007		Inv#1, Proj#07037.01		Core Group, PC	
150				Bill		10/25/2007		Proj#07037.02 Inv#1		Core Group, PC	
151				Bill		10/25/2007		Proj#07037.01 Inv#2		Core Group, PC	
152				General Journal		12/13/2007		Reimb Costs			
153											
154											
155				Bill		07/18/2007		2122984		Holland & Knight LLP	
156				Check		08/06/2007		093		Medal, Inc.	
157				Bill		08/06/2007		50077326		Corporation Service Company	
158				Bill		08/06/2007		50077341		Corporation Service Company	
159				Bill		08/22/2007		2136792		Holland & Knight LLP	
160				Bill		09/13/2007		71260507		Corporation Service Company	
161				Bill		09/17/2007		Matter#9429-004N		Bean, Kinney & Korman	
162				Bill		09/24/2007		2149318		Holland & Knight LLP	
163				Check		09/30/2007		EFT		Medal, Inc.	
164				Bill		10/01/2007		Ground Lease		Medal, Inc.	
165				General Journal		12/13/2007		Reimb Costs			
166											
167											
168				Check		09/30/2007		EFT		Medal, Inc.	
169				General Journal		12/13/2007		Reimb Costs			
170											
171											
172				Bill		10/05/2007		9560251537-00001		BB&T	
173				General Journal		12/13/2007		Reimb Costs			
174											
175											
176											
177											
178											
179											
180											
181											
182											
183											
184											

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016985

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	Q	R	S	T	U
139					0.00
140					0.00
141					**0.00**
142					0.00
143					0.00
144					**9,150.94**
145					**0.00**
146					0.00
147					**9,150.94**
148					**3,137.94**
149	Renderings for 8th & U Proposal		10,232.04		13,369.98
150	8th & U Sts - Perspective Revision		5,914.65		19,284.63
151	8th & U Sts - Perspective		473.51		19,758.14
152	Reimb for All Costs Incurred on Behalf of 1920 8th Street LLC (Net of Receipts)		-19,758.14		0.00
153			-3,137.94		0.00
154					**6,013.00**
155	Ground Lease Related Legal		4,141.00		10,154.00
156	Reimbursement for Landlord Legal Fees		35,000.00		45,154.00
157	Filing Fees for Delaware LLC - 1920 8th Street LLC		360.64		45,514.64
158	Delaware LLC Filing Fees - 1920 8th Street Venture LLC		355.64		45,870.28
159	Ground Lease Legal		15,776.30		61,646.58
160	Springing Member Single		800.00		62,446.58
161	Legal Fee Reimbursement-Ground Lease & Deed of Trust		3,687.50		66,134.08
162	Legal related to ground lease		5,344.49		71,478.57
163	Addl Landlord Legal Reimbursement		15,000.00		86,478.57
164	Additional Payment for Landlord Legal Due Re: Ground Lease of 1920 8th St NW		15,000.00		101,478.57
165	Reimb for All Costs Incurred on Behalf of 1920 8th Street LLC (Net of Receipts)		-101,478.57		0.00
166			-6,013.00		0.00
167					**0.00**
168			150,000.00		150,000.00
169	Reimb for All Costs Incurred on Behalf of 1920 8th Street LLC (Net of Receipts)		-150,000.00		0.00
170			0.00		0.00
171					**0.00**
172	Letter of Credit Origination-WMATA Proposal 8th & U Sts		1,000.00		1,000.00
173	Reimb for All Costs Incurred on Behalf of 1920 8th Street LLC (Net of Receipts)		-1,000.00		0.00
174			0.00		0.00
175					**0.00**
176					0.00
177			-9,150.94		0.00
178					**0.00**
179					0.00
180					**0.00**
181					0.00
182					**0.00**
183					0.00
184			-9,150.94		0.00

CONFIDENTIAL

LA 1004

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016986

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	A	B	C	D	E
185	TOTAL ASSETS				
186	LIABILITIES & EQUITY				
187		Liabilities			
188			Current Liabilities		
189				Accounts Payable	
190					Accounts Payable
191					
192					
193					
194					
195					
196					
197					
198					
199					
200					
201					
202					
203					
204					
205					
206					
207					
208					
209					
210					
211					
212					
213					
214					
215					
216					
217					
218					
219					
220					
221					Total Accounts Payable
222				Total Accounts Payable	
223				Credit Cards	
224					Visa Card Payable
225					Total Visa Card Payable
226				Total Credit Cards	
227				Other Current Liabilities	
228					Customer Deposits
229					Total Customer Deposits
230					Due to

CONFIDENTIAL

LA 1005

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016987

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	F	G	H	I	J	K	L	M	N	O	P
185											
186											
187											
188											
189											
190											
191				Bill		07/18/2007		2122984		Holland & Knight LLP	
192				Bill		08/06/2007		50077326		Corporation Service Company	
193				Bill		08/06/2007		50077341		Corporation Service Company	
194				Bill		08/22/2007		2136792		Holland & Knight LLP	
195				Bill		08/28/2007		15850		McKeever Services Corporation	
196				Bill Pmt -Check		08/31/2007		094		Corporation Service Company	
197				Bill		09/08/2007		9926575591-0		New England Business Service Inc	
198				Bill		09/13/2007		71260507		Corporation Service Company	
199				Bill		09/17/2007		Matter#9429-004N		Bean, Kinney & Korman	
200				Bill		09/24/2007		2149318		Holland & Knight LLP	
201				Bill		09/25/2007		Inv#1, Proj#07037.01		Core Group, PC	
202				Bill Pmt -Check		10/01/2007		1001		Corporation Service Company	
203				Bill Pmt -Check		10/01/2007		1002		McKeever Services Corporation	
204				Bill Pmt -Check		10/01/2007		1003		New England Business Service Inc	
205				Bill		10/01/2007		Ground Lease		Medal, Inc.	
206				Bill Pmt -Check		10/01/2007		1004		Medal, Inc.	
207				Bill		10/05/2007		9560251537-00001		BB&T	
208				Bill Pmt -Check		10/17/2007		1005		Bean, Kinney & Korman	
209				Bill Pmt -Check		10/17/2007		1006		McKeever Services Corporation	
210				Bill		10/25/2007		Proj#07037.02 Inv#1		Core Group, PC	
211				Bill		10/25/2007		Proj#07037.01 Inv#2		Core Group, PC	
212				Bill		11/01/2007		Sub Fee Nov 2007		Medal, Inc.	
213				Bill Pmt -Check		11/02/2007		1007		BB&T	
214				Bill		11/10/2007		Lease Sub Late Fee		Medal, Inc.	
215				Bill Pmt -Check		11/13/2007		1008		Medal, Inc.	
216				Bill Pmt -Check		11/19/2007		1009		Core Group, PC	
217				Bill Pmt -Check		11/19/2007		1010		Holland & Knight LLP	
218				Bill		12/03/2007		Lease Sub Fee-Dec07		Medal, Inc.	
219				Bill Pmt -Check		12/03/2007		1011		Medal, Inc.	
220				Bill Pmt -Check		12/06/2007		1012		Core Group, PC	
221											
222											
223											
224											
225											
226											
227											
228											
229											
230											

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016988

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	Q	R	S	T	U
185			-10,150.94		0.00
186					10,150.94
187					10,300.94
188					10,300.94
189					0.00
190					0.00
191	Ground Lease Related Legal		4,141.00		4,141.00
192	Filing Fees for Delaware LLC - 1920 8th Street LLC		360.64		4,501.64
193	Delaware LLC Filing Fees - 1920 8th Street Venture LLC		355.64		4,857.28
194	Matter#100191.00010		15,776.30		20,633.58
195	Project#D07-0605		250.00		20,883.58
196			-716.28		20,167.30
197			64.62		20,231.92
198	Acct#7594991		800.00		21,031.92
199	Reimbursement for Legal-1920 8th St LLC		3,687.50		24,719.42
200			5,344.49		30,063.91
201			10,232.04		40,295.95
202	Acct#7594991		-800.00		39,495.95
203	VOID: Project#D07-0605		0.00		39,495.95
204			-64.62		39,431.33
205	Additional Payment Due Re: Ground Lease of 1920 8th St NW		15,000.00		54,431.33
206	Additional Payment Due Re: Ground Lease of 1920 8th St NW		-15,000.00		39,431.33
207	Letter of Credit Origination-WMATA Proposal 8th & U Sts		1,000.00		40,431.33
208	Reimbursement for Legal-1920 8th St LLC		-3,687.50		36,743.83
209	Project#D07-0605		-250.00		36,493.83
210	Project #07037.02: 8th & U Sts - Perspective Revision		5,914.65		42,408.48
211	8th & U Sts - Perspective		473.51		42,881.99
212	Lease Subordination Fee Nov 2007		6,250.00		49,131.99
213	Letter of Credit Origination-WMATA Proposal 8th & U Sts		-1,000.00		48,131.99
214	5% Late Fee for Nov 2007 Lease Subordination Fee		312.50		48,444.49
215			-6,562.50		41,881.99
216			-10,232.04		31,649.95
217			-25,261.79		6,388.16
218	Dec 2007 Lease Subordination Fee		6,250.00		12,638.16
219	Dec 2007 Lease Subordination Fee		-6,250.00		6,388.16
220			-6,388.16		0.00
221			0.00		0.00
222			0.00		0.00
223					0.00
224					0.00
225					0.00
226					0.00
227					10,300.94
228					0.00
229					0.00
230					10,300.94

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016989

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	A	B	C	D	E
231					
232					
233					
234					
235					
236					
237					
238					
239					
240					
241					
242					
243					
244					
245					
246					
247					
248					Total Due to
249					**Payroll Liabilities**
250					Total Payroll Liabilities
251				Total Other Current Liabilities	
252			Total Current Liabilities		
253			**Long Term Liabilities**		
254				**Construction Loan**	
255				Total Construction Loan	
256				**Notes Payable**	
257				Total Notes Payable	
258				**Tenant Security Deps**	
259					
260					
261				Total Tenant Security Deps	
262			Total Long Term Liabilities		
263		Total Liabilities			
264		**Equity**			
265			**Opening Balance Equity**		
266			Total Opening Balance Equity		
267			**Partners capital**		
268				**Capital - Joshua A. Adler**	
269				Total Capital - Joshua A. Adler	
270				**Capital - Robb M. LaKrtiz**	
271				Total Capital - Robb M. LaKrtiz	
272				**Draws**	
273				Total Draws	
274				**Partners capital - Other**	
275				Total Partners capital - Other	
276			Total Partners capital		

CONFIDENTIAL

LA 1008

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016990

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	F	G	H	I	J	K	L	M	N	O	P
231	**LaKritz Adler Development LLC**										
232				Deposit		08/07/2007		EFT		LaKritz Adler Development LLC	
233				Deposit		10/01/2007		EFT		LaKritz Adler Development LLC	
234				Deposit		10/17/2007		EFT		LaKritz Adler Development LLC	
235				Deposit		11/13/2007		EFT		LaKritz Adler Development LLC	
236				Deposit		11/19/2007		EFT		LaKritz Adler Development LLC	
237				Deposit		11/30/2007		EFT		LaKritz Adler Development LLC	
238				Deposit		12/06/2007		EFT		LaKritz Adler Development LLC	
239				Check		12/13/2007		EFT		LaKritz Adler Development LLC	
240				Check		12/20/2007		EFT		LaKritz Adler Development LLC	
241	Total LaKritz Adler Development LLC										
242	**LaKritz Adler Investments LLC**										
243				Deposit		08/07/2007		EFT		LaKritz Adler Investments LLC	
244				Check		12/13/2007		EFT		LaKritz Adler Investments LLC	
245	Total LaKritz Adler Investments LLC										
246	**Due to - Other**										
247	Total Due to - Other										
248											
249											
250											
251											
252											
253											
254											
255											
256											
257											
258											
259				Invoice		10/26/2007		2		TLG One Corp	
260				General Journal		12/13/2007		Reimb Costs			
261											
262											
263											
264											
265											
266											
267											
268											
269											
270											
271											
272											
273											
274											
275											
276											

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016991

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	Q	R	S	T	U
231					**10,300.94**
232	Advance		105,000.00		115,300.94
233	Advance		15,000.00		130,300.94
234	Advance		3,000.00		133,300.94
235	Advance		2,000.00		135,300.94
236	Advance		35,000.00		170,300.94
237	Advance		7,000.00		177,300.94
238	Advance		15,000.00		192,300.94
239	Repay Advances		-190,000.00		2,300.94
240	Repay Advances		-2,300.94		0.00
241			-10,300.94		0.00
242					**0.00**
243	Transfer LAI Escrow at Regional to 1920 Eighth LLC's Escrow at Regional for Medal Inc Ground Lease		97,170.47		97,170.47
244	Repay Advance		-97,170.47		0.00
245			0.00		0.00
246					**0.00**
247					0.00
248			-10,300.94		0.00
249					**0.00**
250					0.00
251			-10,300.94		0.00
252			-10,300.94		0.00
253					**0.00**
254					**0.00**
255					0.00
256					**0.00**
257					0.00
258					**0.00**
259	Security Deposit		3,000.00		3,000.00
260	Reimb for All Costs Incurred on Behalf of 1920 8th Street LLC (Net of Receipts)		-3,000.00		0.00
261			0.00		0.00
262			0.00		0.00
263			-10,300.94		0.00
264					**-150.00**
265					**0.00**
266					0.00
267					**0.00**
268					**0.00**
269					0.00
270					**0.00**
271					0.00
272					**0.00**
273					0.00
274					**0.00**
275					0.00
276					0.00

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016992

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	A	B	C	D	E
277			Retained Earnings		
278			Total Retained Earnings		
279			Net Income		
280			Total Net Income		
281		Total Equity			
282	TOTAL LIABILITIES & EQUITY				

CONFIDENTIAL

LA 1011

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016993

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	F	G	H	I	J	K	L	M	N	O	P
277											
278											
279											
280											
281											
282											

CONFIDENTIAL

LA 1012

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016994

1920 Eighth LLC
Balance Sheet Detail
As of February 24, 2009

	Q	R	S	T	U
277					-150.00
278			150.00		0.00
279					0.00
280					0.00
281			150.00		0.00
282			-10,150.94		0.00

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016995

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	A	B	C	D	E
1					
2	ASSETS				
3		Current Assets			
4			Checking/Savings		
5				BB&T-Checking Acct#5162-740-638	
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016996

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	F	G	H	I	J	K	L	M	N	O	P
1				Type		Date		Num		Name	
2											
3											
4											
5											
6				General Journal		12/13/2007		Reimb Costs			
7				Deposit		12/13/2007		EFT		Robb M. LaKritz	
8				Deposit		12/13/2007		EFT		Joshua A. Adler	
9				Bill Pmt -Check		12/20/2007		1001		Holland & Knight LLP	
10				Bill Pmt -Check		12/20/2007		1002		Roetzel & Andress	
11				Bill Pmt -Check		12/31/2007		1003		Venable LLP	
12				Deposit		01/03/2008					
13				Check		01/07/2008		EFT		Medal, Inc.	
14				Bill Pmt -Check		01/28/2008		1004		New England Business Service Inc	
15				Deposit		02/01/2008		EFT		LaKritz Adler Development LLC	
16				Check		02/01/2008		EFT		Medal, Inc.	
17				Deposit		02/05/2008					
18				Check		03/07/2008		EFT		Medal, Inc.	
19				Deposit		03/07/2008					
20				Deposit		03/10/2008		EFT		Joshua A. Adler	
21				Deposit		03/10/2008		EFT		Robb M. LaKritz	
22				Check		03/10/2008		EFT		LaKritz Adler Development LLC	
23				Bill Pmt -Check		03/27/2008		1005		Core Group, PC	
24				Bill Pmt -Check		03/27/2008		1006		DC Treasurer	
25				Deposit		03/27/2008		EFT		Robb M. LaKritz	
26				Deposit		03/27/2008		EFT		Joshua A. Adler	
27				Check		04/01/2008		EFT		Medal, Inc.	
28				Deposit		04/07/2008					
29				Bill Pmt -Check		04/15/2008		1007		Holland & Knight LLP	
30				Bill Pmt -Check		04/15/2008		1008		Delaware Secretary of State	
31				Bill Pmt -Check		04/15/2008		1009		Delaware Secretary of State	
32				Check		05/01/2008		EFT		Medal, Inc.	
33				Deposit		05/06/2008					
34				Deposit		06/02/2008					
35				Check		06/04/2008		EFT		Medal, Inc.	
36				Bill Pmt -Check		06/12/2008		1010		DC Treasurer	
37				Bill Pmt -Check		06/12/2008		1011		DC Treasurer	
38				Bill Pmt -Check		06/24/2008		1012		DC Treasurer	
39				Bill Pmt -Check		06/24/2008		1013		DC Treasurer	
40				Deposit		06/24/2008		EFT		Robb M. LaKritz	
41				Deposit		06/24/2008		EFT		Joshua A. Adler	
42				Bill Pmt -Check		07/01/2008		EFT		LaKritz Adler Development LLC.	
43				Bill Pmt -Check		07/01/2008		EFT		LaKritz Adler Development LLC.	
44				Check		07/02/2008		EFT		Medal, Inc.	
45				Deposit		07/08/2008					
46				Bill Pmt -Check		07/17/2008		1014		Corporation Service Company	

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016997

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	Q	R	S	T	U
1	Memo		Amount		Balance
2					0.00
3					0.00
4					0.00
5					0.00
6	Reimbursement of Costs Incurred by 1920 Eighth LLC on behalf of 1920 8th Street LLC, net of rece...		-275,894.87		-275,894.87
7	Contribution of Capital		150,000.00		-125,894.87
8	Contribution of Capital		150,000.00		24,105.13
9			-12,885.90		11,219.23
10			-1,375.00		9,844.23
11			-3,598.00		6,246.23
12	Deposit		3,000.00		9,246.23
13	Jan 2008 Fee		-6,250.00		2,996.23
14			-96.96		2,899.27
15	Advance		7,000.00		9,899.27
16	Feb 2008 Fee		-6,250.00		3,649.27
17	Deposit		3,000.00		6,649.27
18	March 2008 Fee		-6,250.00		399.27
19	Deposit		3,000.00		3,399.27
20	Additional Investment		5,000.00		8,399.27
21	Additional Investment		5,000.00		13,399.27
22	Advances Repaid		-7,000.00		6,399.27
23			-1,516.28		4,882.99
24	Sq 0393 Lot 0046, 1st Half 2008 RE Tax		-29,073.40		-24,190.41
25	Additional Investment		17,500.00		-6,690.41
26	Additional Investment		17,500.00		10,809.59
27	April 2008 Fee		-6,250.00		4,559.59
28	Deposit		3,000.00		7,559.59
29			-217.50		7,342.09
30	File#4402335: 1920 8th Street LLC - 2007 LLC Tax		-200.00		7,142.09
31	File#4402338: 1920 8th Street Venture LLC - 2007 LLC Tax		-200.00		6,942.09
32	Mayl 2008 Fee		-6,250.00		692.09
33	Deposit		3,000.00		3,692.09
34	Deposit		3,000.00		6,692.09
35	June 2008 Fee		-6,250.00		442.09
36	VOID: 2 Year LLC Report		0.00		442.09
37	VOID: 2 Year LLC Report for 1920 8th Street Venture LLC		0.00		442.09
38	Appl for Cert of Registration for Foreign LLC - 1920 8th Street Venture LLC		-200.00		242.09
39	Appl for Cert of Registration for Foreign LLC - 1920 8th Street LLC		-200.00		42.09
40	Additional Investment		6,000.00		6,042.09
41	Additional Investment		6,000.00		12,042.09
42	2 Year LLC Report for 1920 8th Street Venture LLC		-225.00		11,817.09
43	2 Year LLC Report for 1920 8th St LLC		-225.00		11,592.09
44	July 2008 Fee		-6,250.00		5,342.09
45	Deposit		3,000.00		8,342.09
46			-249.72		8,092.37

CONFIDENTIAL

LA 1016

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016998

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	A	B	C	D	E
47					
48					
49					
50					
51					
52					
53					
54					
55					
56					
57					
58					
59					
60					
61					
62					
63					
64					
65					
66					
67					
68					
69					
70					
71					
72					
73					
74					
75					
76					
77					
78					
79					
80					
81					
82				Total BB&T-Checking Acct#5162-740-638	
83				Regional Title Escrow-Medal Inc	
84				Total Regional Title Escrow-Medal Inc	
85			Total Checking/Savings		
86			Accounts Receivable		
87				Accounts Receivable	
88					
89					
90					
91					
92					

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 016999

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	F	G	H	I	J	K	L	M	N	O	P
47				Bill Pmt -Check		07/17/2008		1015		Holland & Knight LLP	
48				Bill Pmt -Check		07/17/2008		1016		LaKritz Adler Investments LLC.	
49				Bill Pmt -Check		07/17/2008		1017		Reznick Group	
50				Deposit		07/24/2008		EFT		Robb M. LaKritz	
51				Deposit		07/24/2008		EFT		Joshua A. Adler	
52				Check		08/01/2008		EFT		Medal, Inc.	
53				Bill Pmt -Check		08/08/2008		1018		Corporation Service Company	
54				Bill Pmt -Check		08/08/2008		1019		Holland & Knight LLP	
55				Deposit		08/11/2008					
56				Check		09/01/2008		EFT		Medal, Inc.	
57				Bill Pmt -Check		09/08/2008		1020		DC Treasurer	
58				Deposit		09/08/2008		EFT		Robb M. LaKritz	
59				Deposit		09/08/2008		EFT		Joshua A. Adler	
60				Deposit		09/09/2008					
61				Bill Pmt -Check		09/23/2008		1021		Reznick Group	
62				Deposit		10/02/2008		EFT		Joshua A. Adler	
63				Deposit		10/02/2008		EFT		Robb M. LaKritz	
64				Check		10/02/2008		EFT		Medal, Inc.	
65				Deposit		10/06/2008					
66				Bill Pmt -Check		10/13/2008		1022		Holland & Knight LLP	
67				Bill Pmt -Check		10/13/2008		1023		Roetzel & Andress	
68				Bill Pmt -Check		10/29/2008		1024		Dottie Wade for School Board	
69				Bill Pmt -Check		10/29/2008		1025		Roetzel & Andress	
70				Check		10/31/2008		EFT		Medal, Inc.	
71				Deposit		11/06/2008					
72				Check		12/01/2008		EFT		Medal, Inc.	
73				Deposit		12/01/2008		EFT		Joshua A. Adler	
74				Deposit		12/01/2008		EFT		Robb M. LaKritz	
75				Deposit		12/04/2008					
76				Bill Pmt -Check		12/09/2008		1026		Holland & Knight LLP	
77				Bill Pmt -Check		12/09/2008		1027		Roetzel & Andress	
78				Deposit		01/08/2009					
79				Bill Pmt -Check		01/27/2009		1028		Holland & Knight LLP	
80				Check		01/30/2009		EFT		Joshua A. Adler	
81				Check		01/30/2009		EFT		Robb M. LaKritz	
82											
83											
84											
85											
86											
87											
88				Invoice		01/02/2008		4		TLG One Corp	
89				Deposit		01/03/2008		100224483		TLG One Corp	
90				Invoice		02/01/2008		5		TLG One Corp	
91				Deposit		02/05/2008		1123		TLG One Corp	
92				Invoice		03/01/2008		6		TLG One Corp	

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017000

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	Q	R	S	T	U
47			-3,454.50		4,637.87
48			-14.30		4,623.57
49			-1,000.00		3,623.57
50	Additional Investment		7,500.00		11,123.57
51	Additional Investment		7,500.00		18,623.57
52	August 2008 Fee		-6,250.00		12,373.57
53	VOID:		0.00		12,373.57
54			-1,918.00		10,455.57
55	Deposit		3,000.00		13,455.57
56	September 2008 Fee		-6,250.00		7,205.57
57	Square 0393, Lot 0046 - 2nd Half 2008 RE Taxes		-29,073.40		-21,867.83
58	Additional Investment		15,000.00		-6,867.83
59	Additional Investment		15,000.00		8,132.17
60	Deposit		3,000.00		11,132.17
61			-350.00		10,782.17
62	Additional Investment		10,000.00		20,782.17
63	Additional Investment		10,000.00		30,782.17
64	September 2008 Fee		-18,750.00		12,032.17
65	Deposit		3,000.00		15,032.17
66			-87.00		14,945.17
67			-500.00		14,445.17
68			-200.00		14,245.17
69			-895.00		13,350.17
70	November 2008 Fee		-12,500.00		850.17
71	Deposit		3,000.00		3,850.17
72	December 2008 Rent		-12,500.00		-8,649.83
73	Additional Investment		12,500.00		3,850.17
74	Additional Investment		12,500.00		16,350.17
75	Deposit		3,000.00		19,350.17
76			-1,725.50		17,624.67
77			-435.00		17,189.67
78	Deposit		3,000.00		20,189.67
79			-829.50		19,360.17
80	Distribution to Member of 1920 8th St Venture LLC		-9,500.00		9,860.17
81	Distribution to Member of 1920 8th St Venture LLC		-9,500.00		360.17
82			360.17		360.17
83					0.00
84					0.00
85			360.17		360.17
86					0.00
87					0.00
88			3,000.00		3,000.00
89	Deposit		-3,000.00		0.00
90			3,000.00		3,000.00
91	Deposit		-3,000.00		0.00
92			3,000.00		3,000.00

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017001

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	A	B	C	D	E
93					
94					
95					
96					
97					
98					
99					
100					
101					
102					
103					
104					
105					
106					
107					
108					
109					
110					
111					
112				Total Accounts Receivable	
113			Total Accounts Receivable		
114			Other Current Assets		
115				Construction in process	
116					1000-Planning & PreConst
117					Total 1000-Planning & PreConst
118					1100-Demolition
119					Total 1100-Demolition
120					1200-Foundation
121					Total 1200-Foundation
122					1300-Framing
123					Total 1300-Framing
124					1400-Metal Building Structure
125					Total 1400-Metal Building Structure
126					1500-Ext Windows & Doors
127					Total 1500-Ext Windows & Doors
128					1600-Mechanical Systems
129					Total 1600-Mechanical Systems
130					1800-Roofing
131					Total 1800-Roofing
132					1900-Insulation & Drywall
133					Total 1900-Insulation & Drywall
134					2000-Exterior Veneer
135					Total 2000-Exterior Veneer
136					2100-Cabinetry
137					Total 2100-Cabinetry
138					2200-Interior Trim & Stairs

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017002

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	F	G	H	I	J	K	L	M	N	O	P
93				Deposit		03/07/2008		1149		TLG One Corp	
94				Invoice		04/01/2008		7		TLG One Corp	
95				Deposit		04/07/2008		1150		TLG One Corp	
96				Invoice		05/01/2008		8		TLG One Corp	
97				Deposit		05/06/2008		1226		TLG One Corp	
98				Invoice		06/01/2008		9		TLG One Corp	
99				Deposit		06/02/2008		1232		TLG One Corp	
100				Invoice		07/01/2008		10		TLG One Corp	
101				Deposit		07/08/2008		1233		TLG One Corp	
102				Invoice		08/01/2008		11		TLG One Corp	
103				Deposit		08/11/2008		1181		TLG One Corp	
104				Invoice		09/01/2008		12		TLG One Corp	
105				Deposit		09/09/2008		1291		TLG One Corp	
106				Invoice		10/01/2008		13		TLG One Corp	
107				Deposit		10/06/2008		1292		TLG One Corp	
108				Invoice		11/01/2008		14		TLG One Corp	
109				Deposit		11/06/2008		1300		TLG One Corp	
110				Invoice		12/01/2008		15		TLG One Corp	
111				Deposit		12/04/2008		1343		TLG One Corp	
112											
113											
114											
115											
116											
117											
118											
119											
120											
121											
122											
123											
124											
125											
126											
127											
128											
129											
130											
131											
132											
133											
134											
135											
136											
137											
138											

CONFIDENTIAL

LA 1021

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017003

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	Q	R	S	T	U
93	March rent		-3,000.00		0.00
94			3,000.00		3,000.00
95	Deposit		-3,000.00		0.00
96			3,000.00		3,000.00
97	Deposit		-3,000.00		0.00
98			3,000.00		3,000.00
99	Deposit		-3,000.00		0.00
100			3,000.00		3,000.00
101	Deposit		-3,000.00		0.00
102			3,000.00		3,000.00
103	Deposit		-3,000.00		0.00
104			3,000.00		3,000.00
105	Deposit		-3,000.00		0.00
106			3,000.00		3,000.00
107	Deposit		-3,000.00		0.00
108			3,000.00		3,000.00
109	Deposit		-3,000.00		0.00
110			3,000.00		3,000.00
111	Deposit		-3,000.00		0.00
112			0.00		0.00
113			0.00		0.00
114					0.00
115					0.00
116					0.00
117					0.00
118					0.00
119					0.00
120					0.00
121					0.00
122					0.00
123					0.00
124					0.00
125					0.00
126					0.00
127					0.00
128					0.00
129					0.00
130					0.00
131					0.00
132					0.00
133					0.00
134					0.00
135					0.00
136					0.00
137					0.00
138					0.00

FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 017004
CONFIDENTIAL
LA 1022

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	A	B	C	D	E
139					Total 2200-Interior Trim & Stairs
140					**2300-Floorcoverings**
141					Total 2300-Floorcoverings
142					**2400-Tile & Ceramics**
143					Total 2400-Tile & Ceramics
144					**2500-Interior Finishes**
145					Total 2500-Interior Finishes
146					**2600-Door & Closet Hardware**
147					Total 2600-Door & Closet Hardware
148					**2700-Bath Hardware**
149					Total 2700-Bath Hardware
150					**2800-Appliances**
151					Total 2800-Appliances
152					**2900-Site Improvement**
153					Total 2900-Site Improvement
154					**3000-Exterior Area & Finish**
155					Total 3000-Exterior Area & Finish
156					**3100-Specialty Options**
157					Total 3100-Specialty Options
158					**3200-Const Clean Up**
159					Total 3200-Const Clean Up
160					**3300-Project Overhead**
161					Total 3300-Project Overhead
162					**3400-Construction overhead**
163					Total 3400-Construction overhead
164					**Builders risk insuramce**
165					Total Builders risk insuramce
166					**Capitalized Interest**
167					Total Capitalized interest
168					**Settlement Costs**
169					Total Settlement Costs
170					**Construction in process - Other**
171					Total Construction in process - Other
172				Total Construction in process	
173				**Due from Condo Association**	
174				Total Due from Condo Association	
175				**Due to Gallatin Construction**	
176				Total Due to Gallatin Construction	
177				**Gallatin Company**	
178				Total Gallatin Company	
179				**Retentions Receivable**	
180				Total Retentions Receivable	
181			Total Other Current Assets		
182		Total Current Assets			
183		**Fixed Assets**			
184			**Accumulated Depreciation**		

FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 017005
CONFIDENTIAL
LA 1023

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	F	G	H	I	J	K	L	M	N	O	P
139											
140											
141											
142											
143											
144											
145											
146											
147											
148											
149											
150											
151											
152											
153											
154											
155											
156											
157											
158											
159											
160											
161											
162											
163											
164											
165											
166											
167											
168											
169											
170											
171											
172											
173											
174											
175											
176											
177											
178											
179											
180											
181											
182											
183											
184											

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017006

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	Q	R	S	T	U
139					0.00
140					0.00
141					0.00
142					0.00
143					0.00
144					0.00
145					0.00
146					0.00
147					0.00
148					0.00
149					0.00
150					0.00
151					0.00
152					0.00
153					0.00
154					0.00
155					0.00
156					0.00
157					0.00
158					0.00
159					0.00
160					0.00
161					0.00
162					0.00
163					0.00
164					0.00
165					0.00
166					0.00
167					0.00
168					0.00
169					0.00
170					0.00
171					0.00
172					0.00
173					0.00
174					0.00
175					0.00
176					0.00
177					0.00
178					0.00
179					0.00
180					0.00
181					0.00
182			360.17		360.17
183					0.00
184					0.00

FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 017007
CONFIDENTIAL
LA 1025

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	A	B	C	D	E
185			Total Accumulated Depreciation		
186			**Architect**		
187			Total Architect		
188			**Building**		
189				**Construction in process**	
190				Total Construction in process	
191				**Building - Other**	
192				Total Building - Other	
193			Total Building		
194			**Improvements**		
195			Total Improvements		
196		Total Fixed Assets			
197		**Other Assets**			
198			**Deposit/Earnest Money**		
199			Total Deposit/Earnest Money		
200			**Development at 8th & U Sts NW**		
201				**Architectural Renderings**	
202				Total Architectural Renderings	
203				**Arts Credits Related Legal**	
204					
205					
206					
207					
208					
209				Total Arts Credits Related Legal	
210				**Ground Lease Related Legal**	
211					**Accum Amort-Ground Lease Legal**
212					
213					
214					
215					
216					
217					Total Accum Amort-Ground Lease Legal
218					**Ground Lease Related Legal - Other**
219					
220					
221					Total Ground Lease Related Legal - Other
222				Total Ground Lease Related Legal	
223				**Pre-Development Ground Rents**	
224					
225					
226					
227				Total Pre-Development Ground Rents	
228				**Development at 8th & U Sts NW - Other**	
229				Total Development at 8th & U Sts NW - Other	
230			Total Development at 8th & U Sts NW		

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017008

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	F	G	H	I	J	K	L	M	N	O	P
185											
186											
187											
188											
189											
190											
191											
192											
193											
194											
195											
196											
197											
198											
199											
200											
201											
202											
203											
204				Bill		05/22/2008		2248944		Holland & Knight LLP	
205				Bill		06/19/2008		2260203		Holland & Knight LLP	
206				Bill		10/22/2008		2309836		Holland & Knight LLP	
207				Bill		11/20/2008		2322829		Holland & Knight LLP	
208				Bill		12/15/2008		2334029		Holland & Knight LLP	
209											
210											
211											
212				General Journal		12/31/2007		Amortizatn			
213				General Journal		03/31/2008		Amortizatn			
214				General Journal		06/30/2008		Amortizatn			
215				General Journal		09/30/2008		Amortizatn			
216				General Journal		12/31/2008		Amortizatn			
217											
218											
219				Bill		10/18/2007		2161582		Holland & Knight LLP	
220				General Journal		12/13/2007		Reimb Costs			
221											
222											
223											
224				General Journal		12/13/2007		Reimb Costs			
225				General Journal		12/31/2007		GroundLease			
226				General Journal		12/31/2007		GroundLease			
227											
228											
229											
230											

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017009

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	Q	R	S	T	U
185					0.00
186					0.00
187					0.00
188					0.00
189					0.00
190					0.00
191					0.00
192					0.00
193					0.00
194					0.00
195					0.00
196					0.00
197					0.00
198					0.00
199					0.00
200					0.00
201					0.00
202					0.00
203					0.00
204	Legal related to Combined Lot Development/Uptown Arts Credits		3,454.50		3,454.50
205	Legal related to Combined Lot Development/Uptown Arts Credits		1,918.00		5,372.50
206	Legal re Uptown Arts Combined Lot Development Covenant		1,397.50		6,770.00
207	Legal re Uptown Arts Combined Lot Development Covenant		197.50		6,967.50
208	Legal re Uptown Arts Combined Lot Development Covenant		829.50		7,797.00
209			7,797.00		7,797.00
210					0.00
211					0.00
212	Ground Lease Legal Amort: $113,527.97 / 10yrs /12mos x 4mos (Sep>Dec 2007)		-3,784.27		-3,784.27
213	Ground Lease Legal Amort: $113,527.97 / 10yrs /12mos x 3mos		-2,838.20		-6,622.47
214	Ground Lease Legal Amort: $113,527.97 / 10yrs /12mos x 3mos		-2,838.20		-9,460.67
215	Ground Lease Legal Amort: $113,527.97 / 10yrs /12mos x 3mos		-2,838.20		-12,298.87
216	Ground Lease Legal Amort: $113,527.97 / 10yrs /12mos x 3mos		-2,838.20		-15,137.07
217			-15,137.07		-15,137.07
218					0.00
219	Ground Lease Related Legal		12,049.40		12,049.40
220	Reimbursement of Costs Incurred by 1920 Eighth LLC on behalf of 1920 8th Street LLC, net of rece...		101,478.57		113,527.97
221			113,527.97		113,527.97
222			98,390.90		98,390.90
223					0.00
224	Reimbursement of Costs Incurred by 1920 Eighth LLC on behalf of 1920 8th Street LLC, net of rece...		150,000.00		150,000.00
225	$150,000 / 12mos x 4mos (Sep>Dec 2007)		-50,000.00		100,000.00
226	Initial Term Ground Rent in Excess of $50,000		-100,000.00		0.00
227			0.00		0.00
228					0.00
229					0.00
230			106,187.90		106,187.90

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017010

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	A	B	C	D	E
231			Land		
232			Total Land		
233			**Organizational costs**		
234			Total Organizational costs		
235			**Purchase Option Deposit**		
236					
237			Total Purchase Option Deposit		
238			**Settlement Costs**		
239			Total Settlement Costs		
240		Total Other Assets			
241	**TOTAL ASSETS**				
242	**LIABILITIES & EQUITY**				
243		**Liabilities**			
244			**Current Liabilities**		
245				**Accounts Payable**	
246					**Accounts Payable**
247					
248					
249					
250					
251					
252					
253					
254					
255					
256					
257					
258					
259					
260					
261					
262					
263					
264					
265					
266					
267					
268					
269					
270					
271					
272					
273					
274					
275					
276					

CONFIDENTIAL

LA 1029

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017011

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	F	G	H	I	J	K	L	M	N	O	P
231											
232											
233											
234											
235											
236				General Journal		12/31/2007		GroundLease			
237											
238											
239											
240											
241											
242											
243											
244											
245											
246											
247				Bill		10/18/2007		2161582		Holland & Knight LLP	
248				Bill		11/05/2007		963322		Venable LLP	
249				Bill		11/08/2007		735426		Roetzel & Andress	
250				Bill		11/20/2007		2175963		Holland & Knight LLP	
251				Bill		12/18/2007		9927106337-4		New England Business Service Inc	
252				Bill Pmt -Check		12/20/2007		1001		Holland & Knight LLP	
253				Bill Pmt -Check		12/20/2007		1002		Roetzel & Andress	
254				Bill		12/26/2007		Inv#1, Proj#0737.03		Core Group, PC	
255				Bill Pmt -Check		12/31/2007		1003		Venable LLP	
256				Bill Pmt -Check		01/28/2008		1004		New England Business Service Inc	
257				Bill		03/01/2008		5675007080301		DC Treasurer	
258				Bill		03/20/2008		2223539		Holland & Knight LLP	
259				Bill Pmt -Check		03/27/2008		1005		Core Group, PC	
260				Bill Pmt -Check		03/27/2008		1006		DC Treasurer	
261				Bill		04/15/2008		File#4402335		Delaware Secretary of State	
262				Bill		04/15/2008		File#4402338		Delaware Secretary of State	
263				Bill Pmt -Check		04/15/2008		1007		Holland & Knight LLP	
264				Bill Pmt -Check		04/15/2008		1008		Delaware Secretary of State	
265				Bill Pmt -Check		04/15/2008		1009		Delaware Secretary of State	
266				Bill		04/22/2008		456856		Reznick Group	
267				Bill		05/22/2008		2248944		Holland & Knight LLP	
268				Bill		06/12/2008		2 Year LLC Report		LaKritz Adler Development LLC.	
269				Bill Pmt -Check		06/12/2008		1010		DC Treasurer	
270				Bill		06/12/2008		2yr LLC Report		LaKritz Adler Development LLC.	
271				Bill Pmt -Check		06/12/2008		1011		DC Treasurer	
272				Bill		06/14/2008		71715691		Corporation Service Company	
273				Bill		06/14/2008		71715687		Corporation Service Company	
274				Bill		06/19/2008		2260203		Holland & Knight LLP	
275				Bill		06/24/2008		1920 8th St Venture		DC Treasurer	
276				Bill Pmt -Check		06/24/2008		1012		DC Treasurer	

FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 017012
CONFIDENTIAL
LA 1030

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	Q	R	S	T	U
231					0.00
232					0.00
233					0.00
234					0.00
235					0.00
236	Initial Term Ground Rent in Excess of $50,000		100,000.00		100,000.00
237			100,000.00		100,000.00
238					0.00
239					0.00
240			206,187.90		206,187.90
241			206,548.07		206,548.07
242					0.00
243					0.00
244					0.00
245					0.00
246					0.00
247			12,049.40		12,049.40
248			3,598.00		15,647.40
249			1,375.00		17,022.40
250			836.50		17,858.90
251			96.96		17,955.86
252			-12,885.90		5,069.96
253			-1,375.00		3,694.96
254			1,516.28		5,211.24
255			-3,598.00		1,613.24
256			-96.96		1,516.28
257	Sq 0393 Lot 0046, 1st Half 2008 RE Tax		29,073.40		30,589.68
258			217.50		30,807.18
259			-1,516.28		29,290.90
260	Sq 0393 Lot 0046, 1st Half 2008 RE Tax		-29,073.40		217.50
261	File#4402335: 1920 8th Street LLC - 2007 LLC Tax		200.00		417.50
262	File#4402338: 1920 8th Street Venture LLC - 2007 LLC Tax		200.00		617.50
263			-217.50		400.00
264	File#4402335: 1920 8th Street LLC - 2007 LLC Tax		-200.00		200.00
265	File#4402338: 1920 8th Street Venture LLC - 2007 LLC Tax		-200.00		0.00
266			1,000.00		1,000.00
267			3,454.50		4,454.50
268	2 Year LLC Report for 1920 8th St LLC		225.00		4,679.50
269	VOID: 2 Year LLC Report		0.00		4,679.50
270	2 Year LLC Report for 1920 8th Street Venture LLC		225.00		4,904.50
271	VOID: 2 Year LLC Report for 1920 8th Street Venture LLC		0.00		4,904.50
272			78.74		4,983.24
273			78.74		5,061.98
274			1,918.00		6,979.98
275	Appl for Cert of Registration for Foreign LLC - 1920 8th Street Venture LLC		200.00		7,179.98
276	Appl for Cert of Registration for Foreign LLC - 1920 8th Street Venture LLC		-200.00		6,979.98

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017013

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	A	B	C	D	E
277					
278					
279					
280					
281					
282					
283					
284					
285					
286					
287					
288					
289					
290					
291					
292					
293					
294					
295					
296					
297					
298					
299					
300					
301					
302					
303					
304					
305					
306					
307					
308					
309					
310					
311					
312					Total Accounts Payable
313				Total Accounts Payable	
314				**Credit Cards**	
315					**Visa Card Payable**
316					Total Visa Card Payable
317				Total Credit Cards	
318				**Other Current Liabilities**	
319					**Customer Deposits**
320					Total Customer Deposits
321					**Due Medal Inc**
322					

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017014

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	F	G	H	I	J	K	L	M	N	O	P
277				Bill		06/24/2008		1920 8th St LLC		DC Treasurer	
278				Bill Pmt -Check		06/24/2008		1013		DC Treasurer	
279				Bill Pmt -Check		07/01/2008		EFT		LaKritz Adler Development LLC.	
280				Bill Pmt -Check		07/01/2008		EFT		LaKritz Adler Development LLC.	
281				Bill		07/01/2008		199		LaKritz Adler Investments LLC.	
282				Bill		07/10/2008		472846		Reznick Group	
283				Bill		07/14/2008		51185410		Corporation Service Company	
284				Bill		07/14/2008		51185414		Corporation Service Company	
285				Bill Pmt -Check		07/17/2008		1014		Corporation Service Company	
286				Bill Pmt -Check		07/17/2008		1015		Holland & Knight LLP	
287				Bill Pmt -Check		07/17/2008		1016		LaKritz Adler Investments LLC.	
288				Bill Pmt -Check		07/17/2008		1017		Reznick Group	
289				Bill Pmt -Check		08/08/2008		1018		Corporation Service Company	
290				Bill Pmt -Check		08/08/2008		1019		Holland & Knight LLP	
291				Bill		09/01/2008		6281007080816		DC Treasurer	
292				Bill Pmt -Check		09/08/2008		1020		DC Treasurer	
293				Bill		09/09/2008		784242		Roetzel & Andress	
294				Bill		09/18/2008		2295950		Holland & Knight LLP	
295				Bill Pmt -Check		09/23/2008		1021		Reznick Group	
296				Bill		09/30/2008		789376		Roetzel & Andress	
297				Bill		09/30/2008		789377		Roetzel & Andress	
298				Bill Pmt -Check		10/13/2008		1022		Holland & Knight LLP	
299				Bill Pmt -Check		10/13/2008		1023		Roetzel & Andress	
300				Bill		10/20/2008		2309095		Holland & Knight LLP	
301				Bill		10/22/2008		2309836		Holland & Knight LLP	
302				Bill		10/29/2008		Contribution		Dottie Wade for School Board	
303				Bill Pmt -Check		10/29/2008		1024		Dottie Wade for School Board	
304				Bill Pmt -Check		10/29/2008		1025		Roetzel & Andress	
305				Bill		11/12/2008		795241		Roetzel & Andress	
306				Bill		11/20/2008		2322829		Holland & Knight LLP	
307				Bill Pmt -Check		12/09/2008		1026		Holland & Knight LLP	
308				Bill Pmt -Check		12/09/2008		1027		Roetzel & Andress	
309				Bill		12/15/2008		2334029		Holland & Knight LLP	
310				Bill Pmt -Check		01/27/2009		1028		Holland & Knight LLP	
311				Bill		02/05/2009		808658		Roetzel & Andress	
312											
313											
314											
315											
316											
317											
318											
319											
320											
321											
322				Deposit		01/08/2009		1349		TLG One Corp	

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017015

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	Q	R	S	T	U
277	Appl for Cert of Registration for Foreign LLC - 1920 8th Street LLC		200.00		7,179.98
278	Appl for Cert of Registration for Foreign LLC - 1920 8th Street LLC		-200.00		6,979.98
279	2 Year LLC Report for 1920 8th Street Venture LLC		-225.00		6,754.98
280	2 Year LLC Report for 1920 8th St LLC		-225.00		6,529.98
281			14.30		6,544.28
282			350.00		6,894.28
283			46.12		6,940.40
284			46.12		6,986.52
285			-249.72		6,736.80
286			-3,454.50		3,282.30
287			-14.30		3,268.00
288			-1,000.00		2,268.00
289	VOID:		0.00		2,268.00
290			-1,918.00		350.00
291	Square 0393, Lot 0046 - 2nd Half 2008 RE Taxes		29,073.40		29,423.40
292	Square 0393, Lot 0046 - 2nd Half 2008 RE Taxes		-29,073.40		350.00
293			500.00		850.00
294			87.00		937.00
295			-350.00		587.00
296			460.00		1,047.00
297			435.00		1,482.00
298			-87.00		1,395.00
299			-500.00		895.00
300			130.50		1,025.50
301			1,397.50		2,423.00
302			200.00		2,623.00
303			-200.00		2,423.00
304			-895.00		1,528.00
305			435.00		1,963.00
306			197.50		2,160.50
307			-1,725.50		435.00
308			-435.00		0.00
309			829.50		829.50
310			-829.50		0.00
311			58.00		58.00
312			58.00		58.00
313			58.00		58.00
314					0.00
315					0.00
316					0.00
317					0.00
318					0.00
319					0.00
320					0.00
321					0.00
322	Jan 2009 Rent Held for Landlord (Medal Inc)		3,000.00		3,000.00

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017016

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	A	B	C	D	E
323					Total Due Medal Inc
324					**Due to**
325					
326					
327					
328					
329					
330					
331					
332					
333					Total Due to
334					**Payroll Liabilities**
335					Total Payroll Liabilities
336				Total Other Current Liabilities	
337			Total Current Liabilities		
338			**Long Term Liabilities**		
339				**Construction Loan**	
340				Total Construction Loan	
341				**Notes Payable**	
342				Total Notes Payable	
343				**Tenant Security Deps**	
344					
345				Total Tenant Security Deps	
346			Total Long Term Liabilities		
347		Total Liabilities			
348		**Equity**			
349			**Opening Balance Equity**		
350			Total Opening Balance Equity		
351			**Partners capital**		
352				**Capital - Joshua A. Adler**	
353					
354					
355					
356					
357					
358					
359					
360					
361					
362				Total Capital - Joshua A. Adler	
363				**Capital - Robb M. LaKrtiz**	
364					
365					
366					
367					
368					

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017017

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	F	G	H	I	J	K	L	M	N	O	P
323											
324											
325	LaKritz Adler Development LLC										
326				Deposit		02/01/2008		EFT		LaKritz Adler Development LLC	
327				Check		03/10/2008		EFT		LaKritz Adler Development LLC	
328	Total LaKritz Adler Development LLC										
329	LaKritz Adler Investments LLC										
330	Total LaKritz Adler Investments LLC										
331	Due to - Other										
332	Total Due to - Other										
333											
334											
335											
336											
337											
338											
339											
340											
341											
342											
343											
344				General Journal		12/13/2007		Reimb Costs			
345											
346											
347											
348											
349											
350											
351											
352											
353				Deposit		12/13/2007		EFT		Joshua A. Adler	
354				Deposit		03/10/2008		EFT		Joshua A. Adler	
355				Deposit		03/27/2008		EFT		Joshua A. Adler	
356				Deposit		06/24/2008		EFT		Joshua A. Adler	
357				Deposit		07/24/2008		EFT		Joshua A. Adler	
358				Deposit		09/08/2008		EFT		Joshua A. Adler	
359				Deposit		10/02/2008		EFT		Joshua A. Adler	
360				Deposit		12/01/2008		EFT		Joshua A. Adler	
361				Check		01/30/2009		EFT		Joshua A. Adler	
362											
363											
364				Deposit		12/13/2007		EFT		Robb M. LaKritz	
365				Deposit		03/10/2008		EFT		Robb M. LaKritz	
366				Deposit		03/27/2008		EFT		Robb M. LaKritz	
367				Deposit		06/24/2008		EFT		Robb M. LaKritz	
368				Deposit		07/24/2008		EFT		Robb M. LaKritz	

FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 017018
CONFIDENTIAL
LA 1036

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	Q	R	S	T	U
323			3,000.00		3,000.00
324					0.00
325					0.00
326	Advance		7,000.00		7,000.00
327	Advances Repaid		-7,000.00		0.00
328			0.00		0.00
329					0.00
330					0.00
331					0.00
332					0.00
333			0.00		0.00
334					0.00
335					0.00
336			3,000.00		3,000.00
337			3,058.00		3,058.00
338					0.00
339					0.00
340					0.00
341					0.00
342					0.00
343					0.00
344	Reimbursement of Costs Incurred by 1920 Eighth LLC on behalf of 1920 8th Street LLC, net of rece...		3,000.00		3,000.00
345			3,000.00		3,000.00
346			3,000.00		3,000.00
347			6,058.00		6,058.00
348					0.00
349					0.00
350					0.00
351					0.00
352					0.00
353	Contribution of Capital		150,000.00		150,000.00
354	Additional Investment		5,000.00		155,000.00
355	Additional Investment		17,500.00		172,500.00
356	Additional Investment		6,000.00		178,500.00
357	Additional Investment		7,500.00		186,000.00
358	Additional Investment		15,000.00		201,000.00
359	Additional Investment		10,000.00		211,000.00
360	Additional Investment		12,500.00		223,500.00
361	Distribution to Member of 1920 8th St Venture LLC		-9,500.00		214,000.00
362			214,000.00		214,000.00
363					0.00
364	Contribution of Capital		150,000.00		150,000.00
365	Additional Investment		5,000.00		155,000.00
366	Additional Investment		17,500.00		172,500.00
367	Additional Investment		6,000.00		178,500.00
368	Additional Investment		7,500.00		186,000.00

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017019

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	A	B	C	D	E
369					
370					
371					
372					
373				Total Capital - Robb M. LaKrtiz	
374				Draws	
375				Total Draws	
376				Partners capital - Other	
377				Total Partners capital - Other	
378			Total Partners capital		
379			Retained Earnings		
380			Total Retained Earnings		
381			Net Income		
382			Total Net Income		
383		Total Equity			
384	TOTAL LIABILITIES & EQUITY				

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017020

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	F	G	H	I	J	K	L	M	N	O	P
369				Deposit		09/08/2008		EFT		Robb M. LaKritz	
370				Deposit		10/02/2008		EFT		Robb M. LaKritz	
371				Deposit		12/01/2008		EFT		Robb M. LaKritz	
372				Check		01/30/2009		EFT		Robb M. LaKritz	
373											
374											
375											
376											
377											
378											
379											
380											
381											
382											
383											
384											

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017021

1920 8th Street LLC
Balance Sheet Detail
As of February 24, 2009

	Q	R	S	T	U
369	Additional Investment		15,000.00		201,000.00
370	Additional Investment		10,000.00		211,000.00
371	Additional Investment		12,500.00		223,500.00
372	Distribution to Member of 1920 8th St Venture LLC		-9,500.00		214,000.00
373			214,000.00		214,000.00
374					0.00
375					0.00
376					0.00
377					0.00
378			428,000.00		428,000.00
379					0.00
380			-227,451.93		-227,451.93
381					0.00
382			-58.00		-58.00
383			200,490.07		200,490.07
384			206,548.07		206,548.07

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017022

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Monday, March 9, 2009 5:46 PM
To: 'Brad Voight - LA' <brad@lakritzadler.com>
Subject: RE: 1920 8th St - Incorporation in Consolidated Statements

yes

LAKRITZ|ADLER
INVESTMENT & DEVELOPMENT

Robb LaKritz
LaKritz | Adler Investment & Development
4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809

www.lakritzadler.com

Please consider the environment before printing this email

From: Brad Voight - LA [mailto:brad@lakritzadler.com]
Sent: Monday, March 09, 2009 5:13 PM
To: robb@lakritzadler.com
Subject: 1920 8th St - Incorporation in Consolidated Statements

For purposes of the consolidated statements, should I accrue a write off of the cumulative investment in the ground lease at 1920 8th Street NW?

Bradley M. Voight, CPA
Vice President - Finance & Accounting

LAKRITZ|ADLER

LaKritz Adler Development LLC
4326 8th Street, NW
Washington, DC 20011
E-Mail: Brad@LaKritzAdler.com
Phone: 202-882-0808
Fax: 202-882-0809
Cell: 301-742-5789

From: Ilana Branda <ilana@culturaldc.org>
Sent: Monday, March 30, 2009 11:52 AM
To: Josh Adler <josh@lakritzadler.com>
Subject: FW: Source CLD
Attach: (62158142)_(1)_WS_BinaryComparison_LA - Uptown Arts CLD Purchase Agreement 9-5-08 redline-#62018190v4_DB1_ - Source Theatre - Purchase and Sale of Com (2).DOC; WS_BinaryComparison_LA- Uptown Arts CLD Covenant with CDCDC-LA- Uptown Arts CLD Covenant with CDCDC v2.doc

---

Josh,
Haven't heard from you in awhile and wanted to check-in and see how things were going.

Looking forward to hearing from you,
Ilana

From: Ilana Branda
Sent: Wednesday, January 28, 2009 10:38 AM
To: 'Josh Adler'
Subject: RE: Source CLD

In terms of the covenants – attached is the last mark-up we submitted with the following change still necessary: After your lawyers brought up the issues with potentially deleting paragraph 5, I spoke with our lawyers and we are ok with leaving it in.

Main contract – our last mark-up is attached.

General note – the square footage needs to be changed to 30,936 throughout all the documents, with associate financial numbers changed.

Thanks,
Ilana

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, January 27, 2009 5:25 PM
To: Ilana Branda
Subject: RE: Source CLD

Hi Ilana,

I'm a little confused on the status of the documents – we had received a marked-up contract a while back that I thought was a final, but then I got an email from Anne saying that there were more mark-ups coming from other people, and I asked for a consolidated mark-up. I'm not sure if what we got was the consolidated mark-up or not. Could you clarify as to which version is the final version?

Thanks,

Josh

From: Ilana Branda [mailto:ilana@culturaldc.org]
Sent: Tuesday, January 27, 2009 12:55 PM
To: Josh Adler
Subject: RE: Source CLD

Josh,
Have your lawyers had a chance to finalize the documents? I believe we've shared all our comments with you and have hopefully come to terms that are agreeable to us and to OAD.
Let me know how everything is going,
Ilana

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, December 09, 2008 4:28 PM
To: Ilana Branda
Subject: FW: Source CLD

Ilana, see Dennis's email below.

From: Dennis.Hughes@hklaw.com [mailto:Dennis.Hughes@hklaw.com]
Sent: Tuesday, December 02, 2008 9:57 PM
To: josh@lakritzadler.com
Cc: robb@lakritzadler.com
Subject: RE: Source CLD

Josh - This covenant is based on another similar covenant previously approved by the DC Office of Attorney General. It is possible that the OAG may allow for certain variations to said form, but I will note that the language proposed to be deleted is pretty standard on covenants of this sort that we have processed in the Downtown Development District etc. It is also important to note that no CLD allocation can vest without recording a covenant that has been approved in form and content by OAG, so Seller needs to appreciate that whatever we ultimately submit to OAG for approval may well be altered at OAG's direction. Please see Paragraph 2.03 of the Purchase Agreement for reference to same. If we cannot reach agreement with OAG on the language, that office will not approve the covenant as legally sufficient, and we cannot move forward.

All that said, I would anticipate that OAG may take greatest issue with the proposed deletions to Paragraph 5.2 (which assures DC that there are no other obligations that might take precedence over (and thus potentially void) this covenant) and Paragraph 5.3(b) confirms the construction of the legitimate theater use- we may be able to argue that this last issue is addressed in Recital J and the NOW THEREFORE paragraph - but it is pretty standard fare.

In summary, I would say that we can propose the document as revised to OAG but would expect that at least Paragraphs 5.2 and 5.3(b) will be required to be reinstated. If that is the course taken, I would suggest you require that conforming deletions be made with respect to Purchaser's obligations in Paragraph 4.

Finally, I believe we still have some unresolved calculations etc as raised in the email far below. Let me know if you want to review those.

Thanks.
Dennis

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Friday, November 21, 2008 12:05 PM
To: Hughes, Dennis R (WAS - X72448)
Cc: robb@lakritzadler.com
Subject: FW: Source CLD

Dennis,

Note the big sections they cut in section 5, "Parcel A owner declarations" – is this a problem?

Thanks,

Josh

From: Ilana Branda [mailto:ilana@culturaldc.org]
Sent: Monday, November 17, 2008 9:59 AM
To: Josh Adler
Cc: Anne Corbett
Subject: FW: Source CLD

Josh,
Attached are our lawyers comments on the proposed Covenant. We are also concerned with the calculation for square footage. Recital J on page 3 show an accurate calculation of available square footage we have to sell of 30,936. However, beginning with recital K and throughout the rest of the document 33,800 is used. Please let me know how you got to this number, or do we need to change it to the 30,936 throughout the document?
Thanks,
Ilana

Ilana Branda
Program Manager, Housing & Community Development | **Cultural Development Corporation**
Flashpoint | 916 G St, NW | WDC 20001
Source | 1835 14th St, NW | WDC 20009
202.315.1324 | 202.315.1303 fax | ilana@culturaldc.org
culturaldc.org | flashpointdc.org | sourcedc.org

In the Mead Theatre Lab at Flashpoint
PUNCH - that's the way we do it!
October 31 - November 22

AGREEMENT OF PURCHASE AND SALE
OF COMBINED LOT DEVELOPMENT RIGHTS

THIS AGREEMENT OF PURCHASE AND SALE OF COMBINED LOT DEVELOPMENT RIGHTS ([the]**this** "**Agreement**") is made and entered into this ___ day of September, 2008 (the [**"**]**"Effective Date**[**"**]**"**) by and between THE CULTURAL DEVELOPMENT CORPORATION OF THE DISTRICT OF COLUMBIA, a District of Columbia not-for-profit corporation, its successors, affiliates and assigns ("**Seller**"), and LAKRITZ ADLER DEVELOPMENT, LLC, a District of Columbia limited liability company, its successors, affiliates and assigns ("**Purchaser**").

RECITALS

A. Seller owns fee simple absolute title to Lots 33 and 34 in Square 238 in the District of Columbia, with premises address of 1835 14th Street, NW, and more fully described on the attached Exhibit A (the "**Seller Property**").

B. The District of Columbia Zoning Commission (the "**Zoning Commission**") has adopted certain combined lot development rules and regulations which permit the allocation of non-residential and residential gross floor area rights between properties. These rules and regulations include, without limitation, that portion of the District of Columbia Zoning Regulations (11 DCMR, Section 100 et seq., as amended) known as the Uptown Arts-Mixed Use (ARTS) Overlay District Regulations, 11 DCMR, Chapter 19, Section 1900 et seq., as amended (hereinafter referred to as the [**"**]**"ARTS Regulations**[**"**]**"**).

C. Pursuant to Section 1905 of the ARTS Regulations, the **parties understand that the** Seller Property is entitled to allocate and transfer gross floor area as Combined Lot Development ([**"**]**"CLD**[**"**]**"**) rights for the purpose of transferring bonus density to qualified properties within the ARTS Overlay District **(as such term is defined under the ARTS Regulations)**.

D. In accordance with the terms, conditions, and covenants set forth herein, Purchaser desires to acquire from Seller the entire amount of CLD rights generated by the Seller Property in order to increase the permitted density of development on property currently known as Lot 46 in Square 393 in the District of Columbia, with premises address of 1916-1930 8th Street, NW, and more fully described on the attached Exhibit B, or any successor record or tax lot, or such other lot or lots within the ARTS Overlay District designated by Purchaser in its sole discretion (the "**Purchaser Property**").

E. Purchaser and Seller desire to enter into a Combined Lot Development Covenant ("**CLD Covenant**") with the District of Columbia which CLD Covenant will enable Purchaser to use the CLD rights generated by the Seller Property on the Purchaser Property, which CLD Covenant shall be recorded in the land records of the District of Columbia in accordance with the terms and conditions set forth herein, in conjunction with the disbursement of the Purchase Consideration, as defined herein.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are a material part of this Agreement and not mere precatory language, mutual terms, conditions and covenants

CONFIDENTIAL LA 1045

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017030

set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Purchase and Sale of CLDs.

1.01. Commitment to Sell. Upon the terms and subject to the conditions set forth in this Agreement, Seller shall sell, convey, allocate, transfer, assign and deliver to Purchaser the entire amount of CLD rights generated by the theater use of the Seller Property (estimated at approximately 33,800 square feet of gross floor area)(hereinafter the ["]**"ARTS Overlay CLDs**["]"), in accordance with all applicable governmental laws, rules, and regulations, and free and clear of all known liens, claims, mortgages or encumbrances.

1.02. Commitment to Purchase. Upon the terms and subject to the conditions set forth in this Agreement, Purchaser shall purchase the ARTS Overlay CLDs from the Seller and shall pay or deliver to Seller the Purchase Consideration (as set forth below). **Purchaser agrees that it will diligently pursue all permits and approvals necessary for the transfer of the ARTS Overlay CLDs.**

1.03. Purchase Consideration. In consideration of the sale to Purchaser of the **ARTS Overlay** CLDs, Purchaser shall pay or deliver to Seller a sum in the amount of Seven Dollars Fifty Cents ($7.50) per square foot of CLDs transferred to the Purchaser Property (**as such amounts may be increased pursuant to Section 1.03(E)(iii),** the "**Purchase Consideration**"). By way of example only, if the ARTS Overlay CLDs total 33,800 square feet, the Purchase Consideration will total $253,500.00. The Purchase Consideration shall be payable as follows:

(A) Five Thousand and No/100 Dollars ($5,000.00) delivered by Purchaser upon full execution of the letter agreement executed by Seller and Purchaser on April 1, 2008 to the Escrow Agent (as defined below) as the deposit (the "**Deposit**"), which Deposit shall be held by Escrow Agent pursuant to the terms of Section 1.04 below.

(B) **Subject to Section 1.03(E) below,** The remainder of the Purchase Consideration, together with the Deposit, will be paid to Seller in cash, by certified cashier's check, or by wire transfer at Closing (as defined below) subject to the default provisions set forth herein.

(C) Purchaser shall have one hundred eighty (180) days from the date of full execution of this Agreement (the "**Feasibility Period**") to study any issues whatsoever regarding this transaction including any issues related to the Seller Property; provided, however, that Purchaser shall have no right whatsoever to enter onto the Seller Property without the prior consent of Seller. Within ten (10) business days of the Effective Date, Seller shall deliver to Purchaser all of the [~~Due Diligence Materials~~]**due diligence materials** in Purchaser's possession (which may include surveys, architectural and construction plans, property records and/or other documents and materials that will assist Purchaser in confirming the existence or future creation and amount of ARTS Overlay CLDs generated by the theater use of the Seller Property). If Purchaser, in its sole discretion and for any reason whatsoever, terminates the Agreement at the end of the Feasibility Period by notice in writing or email to Seller and Escrow Agent delivered no later than 5:00 P.M. on the date of expiration of the Feasibility Period, Escrow Agent will

CONFIDENTIAL LA 1046

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017031

promptly refund the Deposit to Purchaser, this Agreement will be terminated and neither party will have any further obligation to each other. If Purchaser fails to give Seller a notice of termination prior to 5:00 p.m. on the date of expiration of the Feasibility Period, Purchaser shall no longer have any right to terminate this Agreement under this Section 1.03(C) and the Deposit shall be non-refundable (except as otherwise provided herein).

(D) If the Closing has not occurred within thirty-six (36) **calendar** months of the Effective Date[~~(the "Closing Expiration Date")~~], and no Event of Default pursuant to Section 5.01(B)**(i) or (ii)** below has occurred, Seller shall have the right to terminate this Agreement within thirty (30) days following the [~~Closing Expiration~~]**last day of the 36th calendar month after the Effective** Date (the "**Seller Termination Option**") by notice in writing or e-mail to Seller and Escrow Agent, and Escrow Agent will upon receipt of such notice promptly refund the Deposit to Purchaser, this Agreement will be terminated and neither party will have any further obligation to each other .

(E) If the Closing has not occurred within eighteen (18) **calendar** months of the Effective Date, and no Event of Default pursuant to Section 5.01(B)**(i) or (ii)** below has occurred, this Agreement shall continue in full force and effect provided, however, that:

(i) **On the first day of the nineteenth (19th) calendar month after the Effective Date (the "Payment Date"),** the Deposit shall be deemed earned by Seller and released to Seller, and Purchaser shall [~~pay~~]**deliver on said date** to Seller an additional Twenty Thousand and No/100 Dollars ($20,000.00) as an extension payment (the ["]**"Extension Payment**["]**"**), which Extension Payment shall be non-refundable and deemed earned by Seller and shall be credited in full at the Closing as a portion of the Purchase Consideration;

(ii) on each anniversary of the [~~Extension~~]Payment **Date**, if any, Purchaser shall [~~pay~~]**deliver** to Seller an additional Twenty Thousand and No/100 Dollars ($20,000.00) as a further extension payment (each such payment hereinafter the ["]**"Additional Extension Payment**["]**"**), and each such Additional Extension Payment shall be non-refundable and shall be credited in full at the Closing as a portion of the Purchase Consideration; and

(iii) the Purchase Consideration shall [~~also~~]increase by One-Half of One Percent (0.5 %) of the base Purchase Consideration on the first day of each month beginning with the nineteenth (19th) **calendar** month following the Effective Date, and continuing until the Closing.

(F) If Purchaser does not timely deliver any of the Deposit, Extension Payment, or Additional Extension Payments, then Seller shall have the right to terminate this Agreement and retain all payments previously delivered to Seller or to which Seller was entitled by the terms of this Agreement and the parties shall have no further obligation or liabilities to each other hereunder.

1.04. Deposit and Escrow.

CONFIDENTIAL LA 1047

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017032

(A) The Escrow. Upon execution of this Agreement, Purchaser shall deliver the Deposit to Regional Title Corp. (the "**Escrow Agent**") at its offices located at 1620 L Street, NW, Suite 1200, Washington, DC 20036. Escrow Agent shall hold the Deposit in accordance with this Agreement (the "**Escrow**"). Additionally, the Escrow Agent shall receive, endorse, and deposit any and all instruments and funds payable to the order of the Escrow Agent. The Escrow Agent shall act, with respect to payments, as a stakeholder only and shall not be liable for the payment of any interest or court costs in any action that may be brought to recover the monies held in escrow, or any part thereof, unless the Escrow Agent shall fail or refuse to pay over any such monies pursuant to a judgment order or decree that shall be final beyond possibility of appeal.

(B) Investment of the Deposit. The Escrow Agent shall invest the Deposit in a federally-insured, interest bearing account, or such other investments as Seller and Purchaser shall from time to time jointly approve or jointly direct in writing. Upon any such investment or reinvestment, such securities and all interest accruing thereon shall be included as part of the Deposit for all purposes of this Agreement and shall be credited against the Purchase Consideration payable at Closing.

(C) Disbursement.

(i) [~~Joint Written Direction~~]Order of Court. Notwithstanding other provisions of this Agreement to the contrary, upon receipt [~~by the Escrow Agent of the joint written direction of Purchaser and Seller, or~~]**of** a certified copy of [~~the~~]**a** final order, decree, or process of any court of competent jurisdiction final beyond appeal**with respect to the Deposit**, the Escrow Agent shall disburse the Deposit in accordance with[~~such direction or~~] such final order. If the Escrow Agent is in doubt as to whether the time for appeal of any final order, decree, or process of any court has lapsed, the Escrow Agent may request and may rely upon a written opinion of counsel acceptable to the Escrow Agent.

(ii) Sworn Statements. The Escrow Agent shall make disbursements from the Deposit to or for the account of Seller or Purchaser, upon demand by the requesting party, following written notice (given in accordance with the provisions of this Agreement) of such requested disbursement to the non-requesting party and the passage of five (5) business days without the Escrow Agent's receipt of any written objection from the non-requesting party, on the following terms and conditions:

(a) Upon receipt by the Escrow Agent of a sworn statement signed by an authorized representative of Purchaser, stating that a specific condition (which condition shall be identified and particularly described) set forth in this Agreement has occurred or failed to occur, or that a default by Seller has occurred beyond any applicable cure periods, and that Purchaser is entitled to the entire proceeds of the Deposit in accordance with the terms and conditions of this Agreement;

(b) Upon receipt by the Escrow Agent of a sworn statement signed by Seller, or its authorized representatives, stating that a default has occurred by Purchaser failing to close under this Agreement and the lapse of any applicable cure period, thus entitling Seller to the entire proceeds of the Deposit;

CONFIDENTIAL LA 1048

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017033

(c) Upon receipt by the Escrow Agent of a letter signed by authorized representatives of the Purchaser and the Seller certifying that (i) all conditions precedent to the Closing are satisfied and (ii) Seller is entitled to receive the Deposit as a credit against the Purchase Consideration.

(D) General Rights and Responsibilities of the Escrow Agent.

(i) Compensation. The customary and reasonable fees and expenses, if any actually incurred by the Escrow Agent for its services in such capacity hereunder, shall be borne equally by the Seller and Purchaser.

(ii) Duty of Care. The Escrow Agent shall not be obligated to inquire as to the manner of execution or validity of any document or instrument deposited pursuant to the provisions hereof, nor shall the Escrow Agent be obligated to inquire as to the identity, authority, or rights of the persons executing the same. The Escrow Agent shall be liable under this Agreement only for its failure to exercise due care in the performance of its duties expressly set forth in this Agreement. In case of conflicting demands upon it, the Escrow Agent may withhold performance hereunder until such time as those conflicting demands shall have been withdrawn or the rights of the respective parties shall have been settled by court adjudication, arbitration, consent order, or otherwise.

(iii) Indemnification. Purchaser and Seller shall indemnify the Escrow Agent and hold it harmless from and against all loss, damage, and expense the Escrow Agent may incur by reason of this Agreement, unless such loss, damage, or expense is attributable to the failure by the Escrow Agent to exercise due care in the performance of its obligations hereunder.

(iv) Resignation. The Escrow Agent may resign by giving at least thirty (30) days prior written notice to Purchaser and Seller at their respective addresses set forth herein. Within thirty (30) days after receiving such notice, Seller and Purchaser agree to appoint a successor escrow agent to which the Escrow Agent may distribute the property then held hereunder. If a successor escrow agent has not been appointed and has not accepted such appointment by the end of such thirty (30) day period, the Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor to act as Escrow Agent, and the costs, expenses, and reasonable attorneys' fees incurred by the Escrow Agent in connection with such proceeding shall be paid in equal shares by the Purchaser and the Seller. Purchaser and Seller may replace Escrow Agent at any time by joint written notice, whereupon Escrow Agent shall deliver the Deposit as instructed in such notice.

(E) Simultaneous Notices. Any notice or other document sent to the Escrow Agent by the Purchaser or Seller shall simultaneously be sent to the other party and no notice to the Escrow Agent shall be effective unless such duplicate copy is sent.

2. Closing.

2.01. Time and Place. The transactions contemplated herein shall be consummated at the closing (the "**Closing**") which shall take place at the offices of either

CONFIDENTIAL LA 1049

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017034

Holland & Knight LLP, 2099 Pennsylvania Avenue, NW, Suite 100, Washington, DC 20006, or Escrow Agent (as may be designated by Purchaser) not later than the later of: (i) sixty (60) days after Purchaser has been issued final building permits from the District of Columbia Department of Consumer and Regulatory Affairs for its development project on the Purchaser Property; or (ii) receipt of the fully approved and executed CLD Covenant from the District of Columbia or at such earlier date and time as Purchaser may designate in its sole discretion.

2.02. Closing Costs. Purchaser shall pay for the costs of title examination ordered by Purchaser, customary title company closing charges, notary fees, and all costs associated with Purchaser's due diligence. Seller shall be responsible for the payment of any transfer taxes and Purchaser shall be responsible for the payment of any recordation taxes. All other costs, including but not limited to attorney, architect, or other professional fees and costs, shall be borne by the respective party who engaged such professional.

2.03. Execution of CLD Covenant and CLD Certificate. At such time as Purchaser directs, Purchaser and Seller shall submit the CLD Covenant, substantially in the form attached hereto as Exhibit C, to the District of Columbia Office of Attorney General for determination of legal sufficiency. Upon receipt, approval and incorporation into the CLD Covenant of any **approved** comments received from the Office of Attorney General, Seller and Purchaser shall promptly execute the CLD Covenant and file such covenant for approval and execution by the District of Columbia Office of Planning, the District of Columbia Zoning Administrator, the District of Columbia Office of Attorney General and the Office of the Mayor of the District of Columbia.

2.04. Covenants and Conditions to Closing. The obligations of the parties hereto shall be subject to the satisfaction of the following conditions precedent to Closing:

(A) At Closing, Purchaser and Seller shall deliver to Escrow Agent the CLD Covenant fully executed by Seller, Purchaser and the District of Columbia, and Purchaser shall deliver the Purchase Consideration by cashier's check or wire transfer of available federal funds. Seller and Purchaser shall each execute and deliver to Escrow Agent such additional documents and instruments as may be reasonably necessary or customary to consummate the transaction described in this Agreement, including without limitation a standard form of owner's affidavit executed by Seller and a settlement statement prepared by Escrow Agent and approved by both Purchaser and Seller.

2.05. The obligation of Purchaser to proceed to the Closing shall be conditioned further upon confirmation by Purchaser[~~and Seller~~], that as of the Closing, the ARTS Overlay CLDs to be transferred to the Purchaser Property total at least 30,936 square feet **by** _____.

2.06. Closing Procedures. Upon Escrow Agent's receipt of the Purchase Consideration in the amount shown on the settlement statement **and the disbursement thereof to Seller**, Escrow Agent shall proceed to record the fully executed CLD Covenant in the Office of the Recorder of Deeds for the District of Columbia[~~and shall disburse the Purchase Consideration to Seller~~].

CONFIDENTIAL LA 1050

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017035

3. Representations and Warranties.

3.01. Purchaser's Representations and Warranties. Purchaser represents and warrants that the following are true and correct as of the date first written above, and will continue to be true and correct as of the Closing Date:

(A) Purchaser has the legal right and capacity to execute this Agreement and to perform in accordance with each of the terms, conditions and covenants set forth herein. This Agreement is a valid and binding obligation of Purchaser which is enforceable in accordance with its terms.

(B) The person(s) executing this Agreement on behalf of Purchaser has/have the authority to bind Purchaser to each of the terms, conditions and covenants set forth in this Agreement.

(C) There are no actions or proceedings pending, or to the best knowledge of Purchaser, threatened, which affect Purchaser's ability to perform each of the terms, conditions and covenants set forth in this Agreement. To the best of Purchaser's knowledge, Purchaser is not in default with respect to any order, injunction, decree or demand of any court or any governmental authority which relates to the Purchaser's ability to perform pursuant hereto.

3.02. Seller's Representations and Warranties. Seller represents and warrants that the following are true and correct as of the date first written above, and will continue to be true and correct as of the Closing Date:

(A) Seller has the legal right and capacity to execute this Agreement and to perform in accordance with each of the terms, conditions and covenants set forth herein. This Agreement is a valid and binding obligation of Seller which is enforceable in accordance with its terms.

(B) The person(s) executing this Agreement on behalf of Seller has/have the authority to bind the Seller to each of the terms, conditions and covenants set forth in this Agreement.

(C) There are no actions or proceedings pending, or to the best knowledge of Seller, threatened, which affect Seller, the Seller Property or Seller's ability to perform each of the terms, conditions and covenants set forth in this, Agreement. To the best of Seller's knowledge, Seller is not in default with respect to any order, injunction, decree or demand of any court or any governmental authority which affects the Seller's ability to perform pursuant hereto.

(D) The transactions contemplated by this Agreement will not result in any breach of, or constitute a default under, any instrument, contract or agreement to which Seller is a party or by which Seller may be bound or affected.

(E) Seller has good and marketable fee simple absolute title to the Seller Property.

CONFIDENTIAL LA 1051

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017036

(F) Seller has not previously transferred, assigned or otherwise encumbered any gross floor area that relates to the Seller Property which transfer or assignment would adversely affect Seller's ability to transfer the ARTS Overlay CLDs.

(G) To the best of Seller's knowledge and belief, the Seller Property is not in violation of any law, rule or regulation, including but not limited to laws, rules and regulations relating to construction, fire prevention, taxes and zoning which would impair the ability of Seller to transfer the ARTS Overlay CLDs.

(H) There is no bankruptcy, insolvency, rearrangement, or similar action or proceeding, whether voluntary or involuntary, pending or to the best of Seller's knowledge, threatened, which could affect the Seller's ability to perform any of its obligations hereunder in any material respect.

(I) The Gross Floor Area (as that term is defined in the Zoning Regulations) of the finished improvements on the Seller Property is, or will be as of the Closing, not less than 7,734 square feet, all of which area is improved, occupied and maintained, or will be as of the Closing, as Legitimate Theater (as that term is defined in the Zoning Regulations) and that the improvements on the Seller Property were originally constructed prior to 1958.

(J) **To the best of Seller's knowledge,** Seller is not a party to any other agreement, [~~of any kind or nature,~~]which [~~might~~]**would have a material** affect **on** the ARTS Overlay CLDs or[~~ the~~] Seller's ability to transfer the ARTS Overlay CLDs to Purchaser.

4. Seller's Continuing Covenants.

4.01. Material Changes. Seller covenants that it will not **knowingly** take any action affecting the Seller Property which adversely affects the ARTS Overlay CLDs allocated and transferred pursuant to the terms set forth herein. Seller will promptly notify Purchaser, in writing, of each and every material change in fact, circumstance or condition of which it has knowledge which adversely affects any of the representations and warranties set forth herein.

5. Events of Default and Remedies.

5.01. Events of Default.

(A) By Purchaser. Each of the following shall constitute an event of default ("**Event of Default**") by Purchaser hereunder:

(i) if the Purchaser fails to post **any of** the Deposit[~~ as~~], **Extension Payment or Additional Extension Payments as and when** required herein pursuant to Section 1.04(A);

(ii) if the Purchaser fails to pay the Purchase Consideration at Closing upon the Seller's satisfaction of each material term, condition, covenant, representation and warranty set forth herein which Seller is required to satisfy;

CONFIDENTIAL LA 1052

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017037

(iii) if the Purchaser becomes insolvent, fails to pay its debts as they become due, files a petition for relief, or for any composition, rearrangement, extension, reorganization or other relief under any bankruptcy law or under any other law for the relief of debtors now or hereafter existing, shall make a settlement with or general arrangement or assignment for the benefit of creditors, or if an order for relief pursuant to any federal or state bankruptcy or insolvency law shall be granted with respect to Purchaser[~~.~~]**;**

(iv) if a representation or warranty of Purchaser under this Agreement is not correct in any material respect[~~.~~]**; and**

(v) if the Purchaser fails to comply with any of the material terms, conditions, or covenants applicable to Purchaser set forth in this Agreement **including the obligation to diligently pursue all approvals and permits necessary to purchase the ARTS Overlay CLDs**.

(B) By Seller. Each of the following shall constitute an Event of Default by Seller hereunder

(i) if the Seller fails to comply with any of the material terms, conditions, or covenants applicable to Seller set forth in this Agreement which materially affects Seller's ability to allocate and transfer the ARTS Overlay CLDs to Purchaser;

(ii) if Seller becomes insolvent, fails to pay its debts as they become due, files a petition for relief, or for any composition, rearrangement, extension, reorganization or other relief under any bankruptcy law or under any other law for the relief of debtors now or hereafter existing, shall make a settlement with or general arrangement or assignment for the benefit of creditors, or if an order for relief pursuant to any federal or state bankruptcy or insolvency law shall be granted with respect to Seller; **and**

[~~(iii) if each of the conditions to the Closing set forth herein in Sections 2.04(A) is not fully satisfied, or waived in writing by Purchaser, prior to the Closing;~~]

([iv]**iii**)if any representation or warranty of Seller under this Agreement is not correct in any material respect.

(C) Remedies Upon an Event of Default.

(i) Seller's Remedies. Upon the happening of any Event of Default by Purchaser, Seller shall have the right to terminate this Agreement and to receive **and/or retain any of** the Deposit**, Extension Payment or Additional Extension Payments** and any interest thereon as liquidated damages as its sole and exclusive remedy.

(ii) Purchaser's Remedies. Upon the happening of an Event of Default by Seller, Purchaser shall have the absolute right, at its option and election, to elect one of the following, as its sole remedy in lieu of any other remedy

CONFIDENTIAL LA 1053

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017038

(a) cancel this Agreement immediately by written notice to Seller, whereupon this Agreement shall be deemed to be terminated and Purchaser shall have no further liability to Seller, and if the Deposit has been delivered as provided for herein, the Deposit with all interest thereon shall be promptly returned to Purchaser; or

(b) institute appropriate proceedings to specifically enforce Seller's obligation to allocate and transfer the ARTS Overlay CLDs to Purchaser in accordance with the terms set forth herein.

The above remedies and rights of Purchaser and Seller shall be exclusive and not cumulative. Purchaser shall have the absolute right to resort to any one of said remedies, to the exclusion of the others, in the event of any such Event of Default by Seller. Prior to declaring an Event of Default, Purchaser and Seller shall each provide written notice thereof to the other and shall provide the other with ten (10) business days to cure any such default**, except with respect to a failure to deliver any of the Deposit, Extension Payment or Additional Extension Payments for which Seller shall have two (2) business days to cure**.

6. General Provisions.

6.01. Notices. All notices, payments and other required communications ("**Notices**") to the parties shall be in writing, and shall be addressed respectively as follows

If to Seller: The Cultural Development Corporation of
the District of Columbia
916 G Street, NW
Washington, DC 20001
Attention: Anne Corbett

With copy to: Morgan Lewis & Bockius LLP
1111 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Attention: Henry Liu, Esq.

If to Purchaser: LaKritz Adler Development, LLC
4326 8th Street, NW
Washington, DC 20011
Attention: Robb LaKritz

With a copy to: Holland & Knight LLP
2099 Pennsylvania Avenue, N.W.
Suite 100
Washington, DC 20006
Attention: Christopher H. Collins

CONFIDENTIAL LA 1054

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017039

All Notices shall be given (i) by personal delivery to the applicable party; or (ii) by registered or certified mail, return receipt requested; or (iii) by recognized national or regional overnight delivery service. All Notices shall be effective and shall be deemed delivered and received: (i) if by personal delivery or facsimile, on the date of delivery, if delivered during normal business hours; and, if not delivered during normal business hours, on the next business day following delivery; (ii) if solely by mail three business days after the date deposited into the U.S. Mail, registered or certified mail, return receipt requested, properly addressed and postage prepaid; and (iii) if by overnight delivery, on the day following delivery to such overnight courier. A party hereto may change its address by written notice to the other party.

6.02. Waiver. The failure of Seller or Purchaser to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a wavier of any provision of this Agreement or limit Seller's or Purchaser's right thereafter to enforce any provision or exercise any right.

6.03. Modification. No modification of this Agreement shall be valid unless made in writing and duly executed by authorized representatives of Purchaser and Seller.

6.04. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the District of Columbia**, without regard to conflict of law principles. Any action or proceeding arising out of this Agreement shall be brought in the District of Columbia and the parties hereby consent to said venue**.

6.05. Further Assurances. Each of the parties hereto agrees to take such actions and execute such additional instruments from time to time as may be reasonably necessary or convenient to implement and carry out the intent and purpose of this Agreement.

6.06. Entire Agreement; Successors and Assigns. This Agreement contains the entire understanding of the parties which supersedes all prior agreements and understandings between the parties relating to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the respective successors, affiliates and assigns of Seller and Purchaser. Neither this Agreement, nor the performance of any of the provisions contained herein, shall be assigned, subcontracted or delegated by Seller without the express prior written consent of Purchaser, which may not be unreasonably withheld, conditioned or delayed. Purchaser may assign its rights and delegate its obligations under this Agreement in its sole and absolute discretion, including but not limited to designation of the property(ies) comprising the Purchaser Property.

6.07. Disputes. If any dispute arises under, or relates to, this Agreement, the losing party hereby agrees to promptly reimburse the prevailing party for all fees, costs and expenses incurred by the prevailing party, including without limitation reasonable attorneys' fees, expert fees and collection costs, whether or not formal proceedings are instituted.

6.08. Exhibits. The following exhibits are attached hereto and made a part of this Agreement:

Exhibit A: Seller Property
Exhibit B: Purchaser Property

Exhibit C: Form of Combined Lot Development Covenant

6.09. Order of Priority. In the event of any conflict between this Agreement and any exhibit attached hereto, the terms of this Agreement shall be controlling.

6.10. Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.11. Counterparts. This Agreement may be executed in any number of counterparts all of which taken together shall constitute one and the same instrument and any of the parties or signatories hereto may execute this Agreement by signing any such counterpart.

6.12. Interpretation. Wherever the singular number is used herein, the same shall include the plural; the use of any gender shall include all genders. The headings set forth herein are provided solely for convenience and shall not be considered when interpreting the intention of the parties hereto.

6.13. Brokers. Seller warrants to Purchaser that it has not dealt with any real estate broker, agent, or finder in connection with this transaction. Purchaser warrants to Seller that it has not dealt with any real estate broker, agent or finder in connection with this transaction, and that no right or claim for brokerage commissions or other compensation has been created by its actions in connection herewith. Seller and Purchaser shall indemnify and hold each other harmless against all loss, liability or expense, including reasonable attorneys' fees and litigation costs, incurred by the other to the extent that one or the other is shown to be in breach of the foregoing warranties.

6.14. Savings Clause. Notwithstanding anything to the contrary contained in this Agreement, if the Closing has not occurred as of the day before the date that is twenty-one (21) years after the death of the last living lineal descendant of George H.W. Bush who was alive or in being on the Effective Date, then this Agreement shall terminate, the Deposit shall be returned to Purchaser and (unless either party was in default under this Agreement, in which event the non-defaulting party shall have the rights and remedies set forth in Section 5) neither party shall have any further rights or obligations hereunder.

{signatures on following page}

CONFIDENTIAL LA 1056

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017041

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal as of the date first above written.

SELLER:

THE CULTURAL DEVELOPMENT CORPORATION
OF THE DISTRICT OF COLUMBIA,
a [----------]**District of Columbia non-profit** corporation

By: _____
Name:
Title:

PURCHASER:

LAKRITZ ADLER DEVELOPMENT, LLC,
a District of Columbia limited liability company

By: _____
Name:
Title:

CONFIDENTIAL

LA 1057

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017042

CONSENT

The undersigned Escrow Agent has reviewed this Agreement and consents to the performance of each term and condition applicable to the Escrow Agent in accordance with the provisions set forth herein.

_____

By: _____
Name:
Title:

CONFIDENTIAL

LA 1058

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017043

EXHIBIT A

LEGAL DESCRIPTION OF SELLER PROPERTY

All that certain lot or parcel of land together with all improvements thereon located and being in the City of Washington in the District of Columbia, more particularly described as follows:

Lots numbered Thirty-Three (33) and Thirty-Four (34) in Square numbered Two Hundred Thirty-Eight (238).

DB1/[~~62018190.3~~]62018190.4

[~~7~~]9/[~~30~~]23/08

EXHIBIT B

LEGAL DESCRIPTION OF PURCHASER PROPERTY

All that certain lot or parcel of land together with all improvements thereon located and being in the City of Washington in the District of Columbia, more particularly described as follows:

Lot numbered Forty-Six (46) in Square numbered Three Hundred Ninety-Three (393).

DB1/[~~62018190.3~~]62018190.4

[~~7~~]9/[30]23/08

EXHIBIT C

FORM OF COMBINED LOT DEVELOPMENT COVENANT

[insert]

[~~#5328174_v2~~]

DB1/[~~62018190.3~~]62018190.4

[~~7~~]9/[~~30~~]23/08

COMBINED LOT DEVELOPMENT COVENANT

THIS COMBINED LOT DEVELOPMENT COVENANT (the "**Covenant**") is made as of the __ day of _____ 2008 (the "**Effective Date**") by and among THE CULTURAL DEVELOPMENT CORPORATION OF THE DISTRICT OF COLUMBIA, a _____ corporation, its successors, affiliates and assigns ("**Parcel A Owner**"), 1920 8TH STREET LLC, a Delaware limited liability company, its successors, affiliates and assigns ("**Parcel B Owner**"), and the DISTRICT OF COLUMBIA, a municipal corporation acting in its own name, or by and through its agencies, departments or instrumentalities, whether or not such agencies, departments or instrumentalities are specifically identified herein (the "**District**"). Parcel A Owner, Parcel B Owner, and the District hereby ratify, affirm and agree to the following terms, conditions, covenants, warranties, and obligations, including but not limited to, all recitals.

RECITALS

A. When used in this Covenant, the following capitalized terms shall have the meanings indicated:

"**Arts District**" – the zone district known as the Uptown Arts-Mixed Use (ARTS) Overlay District. The regulations governing use and development of land in the Arts District are set forth in Chapter 19 of the District of Columbia Zoning Regulations.

"**Arts Regulations**" – the Zoning Regulations applicable to the Arts District, codified at Chapter 19 of the Zoning Regulations, enacted by the Zoning Commission in Order No. 632 (Case No. 87-7), published at 37 DCR 1450 (February 23, 1990), as amended by the Commission on October 19, 1992, published at 39 DCR 8323 (November 13, 1992), as further amended by the Commission in Order No. 632B, on January 11, 1993, published at 40 DCR 1645, on February 26, 1993, and as further amended by the Commission in Order No. 632C, on October 17, 1994, published at 42 DCR 2403, on May 12, 1995. References in this Covenant to the Arts Regulations shall be to those in effect as of the Effective Date (defined in Paragraph 3 below) of this Covenant.

"**Arts and Arts Related Uses**" – those uses set forth in Section 1908.1 of the Arts Regulations.

"**Combined Lot**" – collectively, Parcel A and Parcel B.

"**Floor Area Ratio**" or "**FAR**" – as defined in the Zoning Regulations.

"**Gross Floor Area**" - as defined in the Zoning Regulations.

"**Land Records**" – the Land Records of the Office of the Recorder of Deeds of the District of Columbia.

"**Parcel A**" – Lots 33 and 34 in Square 238 of the District of Columbia (or any successor tax lot or record lot), containing approximately 4,326 square feet of land area, as the same is more particularly described on Exhibit A.

"**Parcel A Improvements**" – a legitimate theater project occupying space in a building constructed before 1958 and located on Parcel A containing approximately 7,734 square feet of arts and/or arts-related space.

"**Parcel B**" – Lot 46 in Square 393 of the District of Columbia (or any record lot comprised of all of the foregoing), containing approximately 11,320 square feet of land area, as the same are more particularly described on Exhibit B.

"**Parcel B Improvements**" – a proposed building to be located on Parcel B that will contain approximately _____ square feet of nonresidential Gross Floor Area.

"**Retail and Services Uses**" – those uses set forth in Section 1907.1 of the Arts Regulations.

"**Zoning Commission**" – the Zoning Commission for the District of Columbia.

"**Zoning Regulations**" – the Zoning Regulations of the District of Columbia, codified at Title 11, D.C.M.R., July 1995, as amended by subsequent orders of the Zoning Commission. References in this Covenant to the Zoning Regulations shall be to those in effect as of the Effective Date of this Covenant.

B. Parcel A Owner is the record owner of fee simple title to Parcel A. Parcel A Owner has provided to the Office of Planning an up-to-date title report evidencing that Parcel A Owner owns fee simple title to Parcel A.

C. Parcel B Owner is the record owner of fee simple title to Parcel B. Parcel B Owner has provided to the Office of Planning an up-to-date title report evidencing that Parcel B Owner owns fee simple title to Parcel B.

D. The Zoning Commission, pursuant to its authority under the Zoning Act, D.C. Code §§ 6-641.01 through 6-641.15 (2001), on February 23, 1990, enacted amendments to the Zoning Regulations in Zoning Commission Order No. 632 (as amended by Zoning Commission Order Nos. 632-A through 632-C) establishing and mapping the Arts District, which amendments constitute the Arts Regulations.

E. The purposes of the Arts District are, among other things, (i) to expand the housing supply in the Arts District; (ii) to encourage development of residential and commercial buildings; (iii) to encourage uses that increase pedestrian activity; (iv) to provide for an increased presence and integration of the arts and related cultural and arts-related support uses; and (v) to encourage the adaptive reuse of older buildings in the area, all consistent with the Comprehensive Plan of the District of Columbia relating to this specific area of Washington, D.C., which purpose is further elaborated in Section 1900.2 of the Arts Regulations.

CONFIDENTIAL LA 1063

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017049

F. As an incentive for creating and maintaining preferred uses in the Arts District the Arts Regulations permit combined lot development in accordance with Section 1905 of the Arts Regulations, pursuant to which bonus density, in the form of Gross Floor Area, and the permitted mixture of uses among development sites may be allocated between lots. Section 1905.1(b) of the Arts Regulations provides that the maximum floor area for all uses is to be calculated as if the lots were one lot.

G. Parcel A is located in the ARTS/C-3-A zone district. The C-3-A zone district generally provides for a maximum Floor Area Ratio of 4.0, with no more than 2.5 of such Floor Area Ratio devoted to non-residential uses, and a maximum height of 65 feet. The ARTS/C-3-A zone district provides that, with bonus densities for preferred uses, including without limitation arts and arts-related uses such as a legitimate theater, the total permitted Floor Area Ratio shall be 4.5, and the maximum height of buildings, excluding roof structures, shall be 75 feet.

H. Parcel B is located in the ARTS/C-2-B zone district. The C-2-B zone district generally provides for a maximum Floor Area Ratio of 3.5, with no more than 1.5 of such Floor Area Ratio devoted to non-residential uses, and a maximum height of 65 feet. The ARTS/C-2-B zone district provides that, with bonus densities for preferred uses, the maximum Floor Area Ratio shall be 4.5, and the maximum height of buildings shall be 65 feet. In addition, pursuant to Section 1904.3 of the Arts Regulations, a building that includes 3.0 or more FAR devoted to residential use is entitled to a bonus of 0.5 FAR.

I. Parcel A has a land area of 4,326 square feet, for a total maximum permitted development, exclusive of bonuses provided in the Arts Regulations and Zoning Regulations, of 27,304 (4,326 square feet x 4.0) square feet of Gross Floor Area, no more than 10,815 square feet (2.5 FAR) of which may be devoted to nonresidential uses.. The maximum permitted Gross Floor Area on Parcel A inclusive of bonuses is 4.5 FAR, therefore the maximum permitted development on Parcel A is 19,467 (4,326 square feet x 4.5) square feet of Gross Floor Area.

J. Parcel A Owner has constructed a legitimate theater containing 7,734 square feet of Gross Floor Area devoted to arts and/or arts-related uses on Parcel A (the "Parcel A Improvements"). The Parcel A Improvements have a total FAR of 1.79 (7,734/4,326). Pursuant to Section 1904.2 of the Arts Regulations, the Parcel A Improvements have generated 30,936 square feet of bonus density (the sum of (i) 7,734 square feet times 3.0 under Section 1904.2(b) for use as a legitimate theater, and (ii) 7,734 square feet times 1.0 under Section 1904.2(e) as a pre-1958 building being used as a legitimate theater) which may be allocated in accordance with Chapter 19 of the Zoning Regulations.

K. Parcel B has a land area of 11,320 square feet, for a total maximum permitted development, exclusive of bonuses provided for in the Arts Regulations, of 39,620 (11,320 square feet x 3.5) square feet of Gross Floor Area, no more than 16,980 square feet of which may be devoted to nonresidential uses. Pursuant to Section 1904.1 of the Arts Regulations, bonus density may be used to increase the Gross Floor Area of the Parcel B Improvements up to a Floor Area Ratio of 4.5, or 50,940 square feet (11,320 square feet x 4.5). Parcel B Owner is receiving 33,800 square feet of Gross Floor Area via this Covenant to achieve same. Inclusive of bonus density allocated pursuant to Section 1905.1 of the Arts Regulations, the total maximum

CONFIDENTIAL LA 1064

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017050

permitted nonresidential development on Parcel B is 50,780 square feet (16,980 square feet plus 33,800 square feet).

L. Parcel B Owner intends to construct a project on Parcel B, as more fully described in Exhibit C.

M. Pursuant to Section 1905.1 of the Arts Regulations, Parcel A Owner and Parcel B Owner have entered into this Covenant concerning the Combined Lot, whereby Parcel A Owner shall allocate, and Parcel B Owner shall accept, 33,800 square feet of unused bonus density on Parcel A upon recordation of this Covenant, such that the 33,800 square feet of Parcel A Owner's bonus density shall be allocated to, and used on, Parcel B, thereby reducing the development rights on Parcel A by a like amount.

N. As a result the allocation effected by this Covenant, Parcel A Owner has [redacted] square feet of unused bonus density remaining on Parcel A to allocate to other sites.

O. The Combined Lot (i.e. Parcels A and B combined) will have a total lot area of 15,646 square feet. No single building will have an FAR greater than 5.0.

P. Parcel A Owner intends that Parcel A shall be held, sold, transferred, conveyed, used or occupied subject to the covenants and obligations contained in this Covenant, which covenants and obligations shall run with Parcel A and shall be binding upon Parcel A Owner, its successors, mortgagees, transferees and assigns.

Q. Parcel B Owner intends that Parcel B shall be held, sold, transferred, conveyed, used or occupied subject to the covenants and obligations contained in this Covenant, which covenants and obligations shall run with Parcel B and shall be binding upon Parcel B Owner, its successors, mortgagees, transferees and assigns.

R. Parcel A Owner has obtained and delivered to the Office of Planning, to the satisfaction of the Office of Planning, evidence that there is no person or entity with an interest in Parcel A, which interest was recorded prior to the Effective Date of this Covenant, whose consent is required in order for this Covenant to be fully effective other than those signatures which are a part of this Covenant.

S. Parcel B Owner has obtained and delivered to the Office of Planning, to the satisfaction of the Office of Planning, evidence that there is no person or entity with an interest in Parcel B, which interest was recorded prior to the Effective Date of this Covenant, whose consent is required in order for this Covenant to be fully effective other than those signatures which are a part of this Covenant.

COVENANTS

NOW, THEREFORE, in consideration of the foregoing Recitals, which are a material part of this Covenant, and the mutual terms, conditions and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District, Parcel A Owner and Parcel B Owner agree to and do hereby covenant as follows:

CONFIDENTIAL LA 1065

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017051

1. Purpose. This Covenant constitutes: (1) a declaration of covenants running in perpetuity with Parcel A and Parcel B, as required by Section 1905.1 of the Arts Regulations, which shall be binding upon Parcel A Owner, as to Parcel A, and Parcel B Owner, as to Parcel B, and all respective successors in interest, mortgagees and assigns of any interest in Parcel A or Parcel B, respectively, and upon the District; (2) an instrument confirming that Parcel A Owner has allocated 33,800 square feet of bonus density from Parcel A to Parcel B; (3) an instrument accomplishing the transfer of said 33,800 square feet of Gross Floor Area from Parcel A to Parcel B and confirming the vesting of said 33,800 square feet of Gross Floor Area in Parcel B; and (4) an instrument confirming that the transfer of said 33,800 square feet of Gross Floor Area from Parcel A to Parcel B reduces the bonus density remaining on Parcel A by said 33,800 square feet, leaving Parcel A with [redacted] square feet of bonus density on Parcel A for transfer to another parcel for development within the Arts District.

2. Recitals. The Recitals hereinabove stated are incorporated by reference into the body of this Covenant as if fully set forth herein.

3. Effective Date. This Covenant shall become effective upon the date of its recordation among the Land Records ("**Effective Date**").

4. Parcel B Owner's Declarations. Parcel B Owner hereby subjects Parcel B to the following affirmative and negative conditions, covenants and restrictions:

4.1 Parcel B Owner has the full, unencumbered legal capacity and authority under the laws of the District of Columbia to enter into this Covenant.

4.2 Parcel B Owner represents and warrants that there are no restrictions or adverse claims of record on the use of or otherwise relating to Parcel B or any other obligation or encumbrance of any kind, the requirements of which have not been waived or subordinated, which would impair, delay, prevent or preclude in any manner whatsoever, now or in the future, the performance by Parcel B Owner of its obligations under this Covenant.

4.3 Parcel B Owner represents and warrants to the District as follows:

a) That any Parcel B Improvements to be constructed on Parcel B constitute "new construction" within the meaning of Section 1900.4 of the Arts Regulations.

b) That, as to Parcel B, Exhibit C attached hereto accurately sets forth the maximum permitted Gross Floor Area for all uses on Parcel B.

c) That the correctness of the computations of square feet of Gross Floor Area to be allocated to Parcel B have been verified in writing by the Zoning Administrator and the Office of Planning as shown on the attached Exhibit D.

4.4 Parcel B Owner agrees to construct no more than 4.5 FAR on Parcel B.

CONFIDENTIAL LA 1066

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017052

4.5 Parcel B Owner acknowledges the benefits to and burdens upon it which are conferred and created by this Covenant. Parcel B Owner consents to enforcement solely by the District administratively, at law or at equity, of the restrictions, covenants, obligations and agreements contained herein, and nothing contained herein shall be deemed to vest any rights in any other party. Parcel B Owner also represents and warrants that the remedies set forth in this Covenant are not exclusive and that the District and any agency, department or instrumentality of the District, may pursue other remedies not specifically set forth herein.

4.6 References in this Covenant to "Parcel B Owner" or its "successors" or "assigns" shall be deemed to refer to the party then holding title to Parcel B and/or any improvements thereon. If a party no longer holds title to Parcel B and/or improvements thereon, it shall have no further obligation under this Covenant, except as to any liability which shall have accrued during the time a party held title to Parcel B, and/or improvements thereon. References in this Covenant to agencies, departments or instrumentalities of the District shall be deemed to include agencies, departments or instrumentalities succeeding to the jurisdiction thereof pursuant to the laws of the District.

4.7 It is recognized by the parties hereto that Parcel B Owner is the recipient of 33,800 square feet of bonus density which may or may not be constructed on Parcel B and may be used for any purposes permitted by the Zoning Regulations including residential or non-residential purposes.

5. Parcel A Owner's Declarations. Parcel A Owner hereby subjects Parcel A to the following affirmative and negative conditions, covenants and restrictions:

5.1 Parcel A Owner has the full, unencumbered legal capacity and authority under the laws of the District of Columbia to enter into this Covenant.

5.2 [~~Parcel A Owner represents and warrants that there are no restrictions or adverse claims of record on the use of or otherwise relating to Parcel A or any other obligation or encumbrance of any kind, the requirements of which have not been waived or subordinated, which would impair, delay, prevent or preclude in any manner whatsoever, now or in the future, the performance by Parcel A Owner of its obligations under this Covenant.~~]**Intentionally Deleted.**

5.3 [~~Parcel A Owner represents and warrants to the District as follows:~~]**Intentionally Deleted.**

[~~a) That the correctness of the computations of square feet of Gross Floor Area to be allocated to Parcel B has been verified in writing by the Zoning Administrator and the Office of Planning as shown on the attached Exhibit D.~~]

[~~b) That Parcel A Owner has constructed the Parcel A Improvements on Parcel A, and that as a result of such construction and the unused~~

CONFIDENTIAL LA 1067

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017053

~~development rights created thereby on Parcel A, Parcel A Owner shall be entitled to allocate at least 33,800 square feet of Gross Floor Area to Parcel B in accordance with Section 1905 of the Arts Regulations. Upon recordation of this Covenant to effect the allocation of said 33,800 square feet of Gross Floor Area from Parcel A to Parcel B, Parcel A Owner shall have _____ square feet of Gross Floor Area available for allocation from Parcel A to other lots in the Arts District in connection with any subsequent combined lot development transactions.~~]

5.4 [~~Parcel A Owner acknowledges the benefits to and burdens upon it which are conferred and created by this Covenant.~~]Parcel A Owner consents to enforcement solely by the District administratively, at law or at equity, of the restrictions, covenants, obligations and agreements contained herein, and nothing contained herein shall be deemed to vest any rights in any other party. Parcel A Owner also [~~represents and warrants~~]**agrees** that the remedies set forth in this Covenant are not exclusive and that the District and any agency, department or instrumentality of the District, may pursue other remedies not specifically set forth herein.

5.5 [~~References in this Covenant to "Parcel A Owner", or its "successors" or "assigns" shall be deemed to refer to the party or parties then holding title to Parcel A and/or any improvements thereon. If a party no longer holds title to any portion of Parcel A and/or improvements thereon, it shall have no further obligation under this Covenant, except as to any liability which shall have accrued during the time a party held title to any portion of Parcel A and/or improvements thereon. References in this Covenant to agencies, departments or instrumentalities of the District shall be deemed to include agencies, departments or instrumentalities succeeding to the jurisdiction thereof pursuant to the laws of the District.~~]**Intentionally Deleted.**

6. Transfer: Effect of Transfer. Parcel A Owner, Parcel D Owner and the District hereby agree that:

6.1 A total of 33,800 square feet of Gross Floor Area is allocated from Parcel A to Parcel B. The foregoing allocation of 33,800 square feet of Gross Floor Area from Parcel A to Parcel B shall fully and unconditionally vest such Gross Floor Area in Parcel B, and may be utilized on and incorporated into improvements to be constructed on Parcel B as though they were "matter of right". Parcel B Owner shall be entitled to obtain all necessary permits and certificates of occupancy for the construction, use and occupancy of such improvements notwithstanding and independent of any circumstance, condition or development related to Parcel A Owner or Parcel A.

6.2 Nothing in this Covenant shall modify, alter or amend in any way whatsoever the availability or applicability of any other provisions of the Arts Regulations to Parcel A and Parcel B, respectively.

6.3 The Parcel A Owner and the Parcel B Owner acknowledge that either may engage in subsequent combined lot developments. Each Owner agrees that the combined size of the land area and structures included in the instant combined lot development, and

CONFIDENTIAL LA 1068

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017054

the amount of residential and commercial uses contained therein, will increase as a result of subsequent combined lot developments. Should any property included in a future combined lot development engage in a subsequent combined lot development, the size of the previous combined lot will also increase in the same manner, and any subsequent combined lot development covenants involving either of the lots in this Covenant shall include in its calculation of minimum required uses, maximum non-residential uses, and maximum permitted density, all of the structures and land area involved in this Covenant plus the area of the land and structures that have been added to this combined lot by virtue of all subsequent combined lot developments that can be traced back to this combined lot development. Parcel A Owner and Parcel B Owner further acknowledge that the affected lots, when combined, must provide the minimum required residential uses, contain no more than the maximum amount of permitted non-residential uses, and comply with the overall applicable density and bulk limitations.

7. Prohibited Liens.

7.1 Parcel A. Parcel A Owner shall use best efforts not to permit any governmental or statutory liens (including tax and mechanics' and materialmen's liens that would take priority over this Covenant) to be filed against Parcel A and the improvements to be constructed on Parcel A, except for real estate taxes and assessments not yet due and payable and liens approved by the District in writing. Parcel A Owner shall use best efforts not to default at any time under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant. If Parcel A Owner is in default under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant, the District may, but has no obligation to, cure such default and shall be entitled to repayment of reasonable expenditures. The use of a "best efforts" standard in this Section 7.1 shall not modify or affect any obligation of Parcel A Owner to perform any obligation otherwise required to be performed under applicable law.

7.2 Parcel B. Parcel B Owner shall use best efforts not to permit any governmental or statutory liens (including tax and mechanics' and materialmen's liens that would take priority over this Covenant) to be filed against Parcel B and the improvements to be constructed on Parcel B, except for real estate taxes and assessments not yet due and payable and liens approved by the District in writing. Parcel B Owner shall use best efforts not to default at any time under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant. If Parcel B Owner is in default under any liens which have legal priority over this Covenant and which have not been subordinated to this Covenant, the District may, but has no obligation to, cure such default and shall be entitled to repayment of reasonable expenditures. The use of a "best efforts" standard in this Section 7.2 shall not modify or affect any obligation of Parcel B Owner to perform any obligation otherwise required to be performed under applicable law.

8. Real Covenants/Enforceability. The obligations of Parcel A Owner and Parcel B Owner under this Covenant shall be considered covenants running with Parcel A and Parcel B

CONFIDENTIAL LA 1069

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017055

and shall be binding on any successor owner (including but not limited to the purchaser at any foreclosure sale and any mortgagees at such time such mortgagee becomes an owner of Parcel A or Parcel B, and their successors and assigns). References to "Parcel A Owner", "Parcel B Owner", "successor" or "assign" shall be deemed to refer to the party then holding title to Parcel A, Parcel B, and/or any improvements thereof. If a party no longer owns fee title to all or any portion of Parcel A or Parcel B, and/or improvements thereon, it shall have no further obligation under this Covenant with respect to such property of which it no longer owns fee title, except as to any liability which shall have accrued during the time such party owned fee title to said portion of Parcel A, Parcel B, and/or improvements thereon. References in this Covenant to agencies, departments or instrumentalities of the District shall be deemed to include agencies, departments or instrumentalities succeeding to the jurisdiction thereof pursuant to the laws of the District.

9. Payment of Taxes and Other Encumbrances. Parcel A Owner and Parcel B Owner shall use best efforts to pay real estate taxes, any assessments and other public charges for Parcel A and Parcel B, respectively, and the improvements thereon, at any time prior to delinquency; provided, however, that nothing contained herein shall in any way lessen, modify or otherwise affect in any manner whatsoever any current or future exemption that may be available under law to relieve either such lot from payment, in whole or in part, of real estate taxes, assessments or other public charges or the right of the respective lot owners or their respective successors or assigns to pursue the application of any such exemption or appeal any taxes assessed against their respective lots. To the extent possible, all other encumbrances, charges and liens which have legal priority over this Covenant and which have not been subordinated to this Covenant, including prior mortgages and deeds of trust which have not been subordinated to this Covenant, shall be paid when due and shall not be in default. Upon written request by the District, Parcel A Owner and Parcel B Owner, with respect to their respective lots, shall furnish to the District reasonable evidence of payment of these items. The use of a "best efforts" standard in this Section 9 shall not modify or affect any obligation otherwise required to be performed under applicable law.

10. Maintenance – No Waste. Parcel A Owner shall protect and preserve its development and maintain the same in good condition and repair, and shall not commit or permit any waste thereof or thereon.

11. Compliance with Laws. Parcel A Owner and Parcel B Owner shall comply with all District of Columbia laws, ordinances, regulations, covenants, conditions, and restrictions affecting their respective parcels and the projects thereon and shall not commit or (to the extent within their reasonable control) permit any act upon or concerning their respective parcels and the allocation of bonus density and preferred uses in violation of any such laws, ordinances, regulations, covenants, conditions and restrictions.

12. District's Rights to Protect. The District may commence, appear in and defend any action or proceeding which may affect the allocation of the bonus density or the preferred uses or the rights or powers of the District with respect to Parcel A and Parcel B pursuant to this Covenant. If Parcel A Owner and/or Parcel B Owner fail to do any act required under this Covenant, the District, without any obligation to do so, after demand upon the breaching party and without releasing the breaching party from any obligations under this Covenant, may cause

CONFIDENTIAL LA 1070

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017056

the act to be performed in such manner and to such extent as the District may deem necessary to protect the allocation of the bonus density or the preferred uses and to put the breaching party in compliance with this Covenant. The District is authorized to enter upon Parcel A and Parcel B for such purposes.

13. [~~Joint and Several Liability. Parcel A Owner's and Parcel B Owner's liability shall be several and not joint and several for the performance of any obligations pursuant to the terms of this Covenant. If there is more than one owner of Parcel A, of Parcel B or of any residential units upon Parcel B (such as in a condominium regime), the liability of each such owner for any obligations pursuant to the terms of this Covenant shall be several and not joint and several.~~]Parcel A Owner and Parcel B Owner shall include in their condominium documents, if any, the nature of uses that must be provided within the particular condominium units and state that such uses are subject to this Covenant. Parcel A Owner and Parcel B Owner shall also provide in any leases of space that the use is subject to the requirements of this Covenant. Consistent with the foregoing, an owner of a parcel or a portion of a parcel (such as a condominium regime) shall be liable for the obligations pursuant to the terms of this Covenant only insofar as they relate to the parcel or portion of a parcel owned by such owner.

14. Non-waiver of Terms and Conditions. The District's failure to require prompt enforcement of any required obligation shall not constitute a waiver of the obligation owed or any subsequent required performance of the obligation. No term or condition of this Covenant may be waived or modified except in accordance with Section 15.

15. Modification, Amendment and Termination. This Covenant shall not be modified or amended except by written instrument approved by the Office of Planning and signed by the parties to this Covenant, it being agreed (a) by Parcel B Owner and Parcel A Owner that each shall act in good faith toward the other and use commercially reasonable efforts to promptly modify, amend and/or restate this Covenant at the request of the other party in the event such modification, amendment and/or restatement becomes necessary due to the development plans of Parcel B Owner or Parcel A Owner or as required by applicable law, and (b) by the parties hereto that, in the event the 33,800 square feet of combined lot development rights being allocated to Parcel B pursuant to this Covenant are not used in connection with the construction of the Parcel B Improvements, then this Covenant (and all of the terms and conditions hereof) shall be rendered null and void and of no further force and effect. If the Parcel D Owner does not use the 33,800 square feet of combined lot development rights, it must comply with the Recordation provisions of § 15.3 below, but is not required to comply with the Modification and Amendment provisions of §§ 15.1 and 15.2 below.

15.1 Modifications and Amendments Consistent With the Arts and Zoning Regulations. Any modification or amendment to this Covenant that is consistent with the provisions of the Arts and Zoning Regulations shall be in a form and content approved in writing by the Office of Attorney General, which approval shall include a finding that such modification or amendment is consistent with the Arts Regulations and Zoning Regulations.

15.2 Modifications and Amendments that are Inconsistent with the Arts and Zoning Regulations and/or Termination. No modification or amendment that is not

CONFIDENTIAL LA 1071

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017057

consistent with the Arts Regulations and Zoning Regulation, or termination of this Covenant, shall be effective without the written approval of the Board of Zoning Adjustment after a public hearing on such proposed modification, amendment or termination in accordance with Section 1906 of the Arts Regulations.

15.3 Recordation. Any modification, amendment or termination shall be promptly recorded in the Land Records by Parcel A Owner against the title to Parcel A and by Parcel B Owner against the title to Parcel B, with copies of such recorded instruments to be sent to the Zoning Administrator of the District and the Office of Planning.

16. Effect of Repeal or Amendment of the Arts Regulations. Nothing herein shall restrict or impair the Zoning Commission for the District of Columbia from exercising its legal power to amend or repeal the Arts Regulations or any Zoning Regulation of the District. Nothing contained herein shall prevent Parcel B Owner or Parcel A Owner from challenging, contesting or supporting such repeal or amendment or the Zoning Regulations or seeking relief from the Board of Zoning Adjustment.

17. Default: Remedies. If either Parcel A Owner or Parcel B Owner ("**Defaulting Lot Owner**") fails to comply with the provisions of this Covenant **upon at least thirty (30) days written notice and opportunity to cure**, the District may pursue all enforcement actions authorized in law or in equity. Notwithstanding the foregoing, nothing herein shall deprive the Defaulting Lot Owner of the right to pursue an appeal to the appropriate administrative agency or the courts.

18. Assignment. Any and all assigns or successors in interest of Parcel A or Parcel B shall be bound by this Covenant and all other instruments of Parcel A Owner and Parcel B Owner, as applicable, arising from or related to this Covenant.

19. Insurance. Parcel A Owner shall maintain appropriate hazard insurance on its development, providing replacement cost coverage and insuring against loss by fire and such other risks as are customarily covered by extended coverage endorsement. All such insurance shall be for commercially reasonable limits with companies licensed to sell insurance in the District. If requested, Parcel A Owner shall deliver certificates of insurance or copies of all policies to the District. Nothing herein shall waive or modify the terms and provisions of the Condominium Act, D.C. Code §§ 42-1901.01 *et seq.*

20. Condemnation and Insurance Proceeds. Parcel A Owner shall provide reasonable notice to the District of any condemnation proceeding or loss or damage to their respective developments. The District authorizes Parcel A Owner to make a claim for and enter into any compromise or settlement with respect to any proceeds payable as a result of such condemnation, loss or damage. Parcel A Owner will use reasonable business judgment in determining the allocation of condemnation awards or insurance proceeds, subject to the provisions of any mortgage or deed of trust constituting a lien on Parcel A and the rights of any secured party thereunder. Parcel A Owner agrees to apply insurance proceeds for repair or restoration of its development. Nothing herein shall waive or modify the terms and provisions of the Condominium Act, D.C. Code §§ 42-1901.01 *et seq.*

CONFIDENTIAL LA 1072

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017058

21. Exhibits. All exhibits referred to in this Covenant are incorporated in this Covenant in full by this reference and made an integral part of this Covenant. The following constitute the exhibits to this Covenant:

A	–	Legal Description of Parcel A
B	–	Legal Description of Parcel B
C	–	Calculations
D	–	Office of Planning/Zoning Administrator Certification

22. Severability. If any provision of this Covenant or its application to any party or circumstances, other than any provision affecting the allocations of Gross Floor Area contained herein, shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Covenant or the application of such provision to such person or circumstances, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law. If the allocations of Gross Floor Area contained herein are determined to be invalid or unenforceable, this Covenant shall terminate and the parties shall take such action as may be necessary to release this Covenant from the Land Records.

23. Notices. All notices, demands, requests, consents, approvals and other communications which may be or are required to be given hereunder shall be in writing and shall be sent by mailing or delivery as follows:

If to Parcel A Owner:	The Cultural Development Corporation of the District of Columbia 916 G Street, NW Washington, DC 20001 Attention: Anne Corbett
If to Parcel B Owner:	1920 8th Street LLC 4326 8th Street, NW Washington, DC 20011 Attention: Robb LaKritz
With a copy to:	Holland & Knight LLP 2099 Pennsylvania Avenue, N.W. Suite 100 Washington, D.C. 20006-6801 Attention: Christopher H. Collins
If to the District:	Director, Office of Planning 801 N. Capitol Street,

CONFIDENTIAL LA 1073

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017059

N.E. Fourth Floor
Washington, D.C. 20002

With a copy to: Office of Attorney General
Chief, Land Use Section
1100 15th Street, N.W.
Suite 800
Washington, D.C. 20005

Any party may change any address for the purposes of this Covenant by giving notice in accordance with this Section 23 and without complying with Section 15 above.

Each notice, demand, request, consent, approval or other communication shall be either (i) sent by registered or certified mail, postage prepaid, or (ii) delivered by hand, and shall be deemed sufficiently given for all purposes hereunder five (5) business days after it shall be mailed or, if delivered by hand, when actually received (or when delivery thereof is refused).

24. Rules of Construction. This Covenant shall be construed so that, whenever applicable, the use of the singular shall include the plural, the use of the plural shall include the singular, and the use of any gender shall be applicable to all genders and shall include corporations, partnerships, limited liability companies, limited partnerships, trusts, and other entities, as applicable.

25. Section Headings. The headings to the various sections have been inserted for convenience of reference only and shall not be used to construe this Covenant.

26. Entire Agreement. This Covenant, including any exhibits and appendices referred to herein, as well as any orders, rules and regulations of the District relating to the subject matter hereof, together with the agreements referred to in the Recitals hereof, contain the entire agreement and understanding among all of the parties with respect to the subject matter of this Covenant, and any prior understandings, agreements, restrictions, promises, warranties, representations, covenants or other undertakings among the parties with respect to the subject matter of this Covenant are hereby revoked.

27. Choice of Law. This Covenant shall be construed and enforced in accordance with and shall be governed by the laws of the District of Columbia (without regard to conflicts of laws principles).

28. Counterparts. This Covenant may be executed in counterparts, each of which shall be deemed an original and all counterparts together shall constitute one and the same covenant.

29. Mortgagee Protection. If the holder of any mortgage, deed of trust or other security instrument encumbering either of Parcel A or Parcel B, or both, notifies the District in writing of the existence of such security instrument, stating the recordation information relating thereto and providing an address to which notices should be sent, (i) the District shall use best efforts to provide such holder with a copy of any notice of default sent to a Defaulting Lot Owner under this Covenant, (ii) such holder shall have the right, but not the obligation, to cure

CONFIDENTIAL LA 1074

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017060

such default within the time periods set forth in this Covenant for the cure thereof by the Defaulting Lot Owner; provided, if possession of the respective lot is necessary to cure such default, and such holder shall promptly undertake and diligently pursue measures to obtain possession, such cure period shall be extended for such period of time as shall be reasonably necessary to permit such holder to obtain possession of such lot and cure such default, but in no event shall such cure period be extended for more than six (6) months without the express written authorization of the Office of Planning.

[Signatures on Following Pages]

CONFIDENTIAL LA 1075

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017061

IN WITNESS WHEREOF, the parties hereto have caused this Covenant to be executed, acknowledged and delivered as of the day and year first above written.

WITNESS:	THE CULTURAL DEVELOPMENT CORPORATION OF THE DISTRICT OF COLUMBIA, a _____ corporation
	By:_____ Name:_____ Title:_____

BEFORE ME, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date _____, personally well known (or satisfactorily proven by the oath of credible witnesses) to me to be the person whose name is subscribed to the foregoing and annexed Combined Lot Development Covenant bearing date as of _____, 2008 who being by me first duly sworn, did depose and state that s/he is the _____ of The Cultural Development Corporation of the District of Columbia, a _____corporation, and the duly appointed attorney-in-fact for said corporation in the foregoing and annexed Combined Lot Development Covenant, and that s/he, being duty authorized so to do, executed and delivered the foregoing and annexed instrument in the name and on behalf of said corporation and acknowledged the same to be its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this _____ day of _____ 2008.

_____
Notary Public

[Notarial Seal]

My Commission Expires: _____

WITNESS:	1920 8TH STREET, LLC, a Delaware limited liability company By: 1920 8TH STREET VENTURE, LLC, a Delaware limited liability company
	By:_____ Name:_____ Title:_____

District of Columbia) ss:

BEFORE ME, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date _____ personally well known (or satisfactorily proven by the oath of credible witnesses) to me to be the person whose name is subscribed to the foregoing and annexed Combined Lot Development Covenant bearing date as of _____ 2008 who being by me first duly sworn, did depose and state that s/he is the _____ of 1920 8th Street Venture, LLC, a Delaware limited liability company, _____ of 1920 8th Street, LLC, a Delaware limited liability company and the duly appointed attorney-in-fact for said limited liability company in the foregoing and annexed Combined Lot Development Covenant, and that s/he, being duly authorized so to do, executed and delivered the foregoing and annexed instrument in the name and on behalf of said limited liability company and acknowledged the same to be its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this _____ day of _____ 2008.

_____
Notary Public

[Notarial Seal]

My Commission Expires: _____

CONFIDENTIAL LA 1077

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017063

IN WITNESS WHEREOF, the Mayor of the District of Columbia, having first considered and approved the foregoing Combined Lot Development Covenant, has directed the execution thereof in the name of the District of Columbia, by the Secretary of the District of Columbia, who has hereunto set her hand and affixed the seal of the District of Columbia hereto under authority of the Act of Congress entitled "An Act to Relieve the Commissioners of the District of Columbia of Certain Ministerial Duties" approved February 11,1932.

WITNESS:	DISTRICT OF COLUMBIA (a municipal corporation)
	By: _____ Name: _____ Title: Secretary of the District of Columbia
[CORPORATE SEAL]	

DISTRICT OF COLUMBIA, SS:

I, _____ a Notary Public in and for the District of Columbia, do hereby certify that _____, who is personally known to me as the person named as Secretary of the District of Columbia in the foregoing Combined Lot Development Covenant bearing date as of _____ 2008, and hereunto annexed, personally appeared before me in said District and, as Secretary as aforesaid, and by virtue of the authority in her vested, acknowledged the same to be the act and deed of the Mayor of the District of Columbia and that she delivered the same as such.

GIVEN under my hand and seal this _____ day of _____, 2008.

_____
Notary Public, D.C.;

My commission expires: _____

APPROVED AS TO LEGAL SUFFICIENCY:

By:_____
District of Columbia Office of Attorney General

CONFIDENTIAL LA 1078

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017064

EXHIBIT A
(Legal Description of Parcel A)

All that certain lot or parcel of land, together with all improvements thereon, located and being in the City of Washington in the District of Columbia, and being more particularly described as follows:

[INSERT LEGAL DESCRIPTION FOR PARCEL A]

CONFIDENTIAL

LA 1079

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017065

EXHIBIT B

Legal Description of Parcel B

All that certain lot or parcel of land, together with all improvements thereon, situate and lying in the District of Columbia, and more particularly described as follows:

[INSERT LEGAL DESCRIPTION FOR PARCEL B]

CONFIDENTIAL LA 1080

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017066

EXHIBIT C

Insert Parcel B Calculations

A. Parcel B. Parcel B Owner hereby represents and warrants to the District that, as of the date of this Covenant, the Parcel B Improvements shall not exceed the following and that the following figures are correct and accurate:

1.	Maximum permitted Gross Floor Area for all uses on the Parcel B	

CONFIDENTIAL LA 1081

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017067

EXHIBIT D

Insert Office of Planning/Zoning Administrator Certification

#5336462_v2

CONFIDENTIAL

LA 1082

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017068

Subject: Patrick Potter (1920 8th St.)

Start: 4/6/2009 12:00 PM

End: 4/6/2009 12:30 PM

Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Josh Adler

When: Monday, April 06, 2009 12:00 PM-12:30 PM (GMT-05:00) Eastern Time (US & Canada).

~~*~*~*~*~*~*~*~*~*

Subject: Accepted: Patrick Potter (1920 8th St.)

Start: 4/6/2009 12:00 PM

End: 4/6/2009 12:30 PM

Show Time As: Busy

Recurrence: (none)

Required Attendees: 'robb@lakritzadler.com'

From: Robb M. LaKritz <robb@lakritzadler.com>
Sent: Thursday, April 16, 2009 2:09 PM
To: 'Chris Keller' <ckeller@webdezyners.com>
Subject: FW: 8th & Florida
Attach: 8thU-parcel2-r_1.jpg

Use this one.

From: Ronald Ngiam [mailto:rsn@coredc.com]
Sent: Monday, December 17, 2007 11:24 AM
To: Josh Adler; Robb Lakritz
Cc: Dale Stewart
Subject: Re: 8th & Florida
Importance: High

Josh, Robb:

Attached please find the following rendering -
"1920 8th street-1", "1920 8th street-2" rendering for 1920 8th street without parcel 2 on U street.
"8thU-parcel2-r_1.jpg" rendering from a view that shows parcel 2 + 1920 8th street.
Ron

ron ngiam, AIA

CORE **architecture | design**
1010 wisconsin ave nw suite 405
washington, dc 20007

t 202.464.7453 **f** 202.466.6235
e rsn@coredc.com **w** http://www.coredc.com

On 12/17/07 10:54 AM, "Dale Stewart" <das@COREdc.com> wrote:

Ron,

Can you send this please? Thanks.

Dale

------ Forwarded Message
From: "Robb M. LaKritz" <robb@lakritzadler.com>
Reply-To: <robb@lakritzadler.com>
Date: Mon, 17 Dec 2007 02:07:47 -0500
To: "Dale A. Stewart AIA" <das@coredc.com>
Subject: 8th & Florida

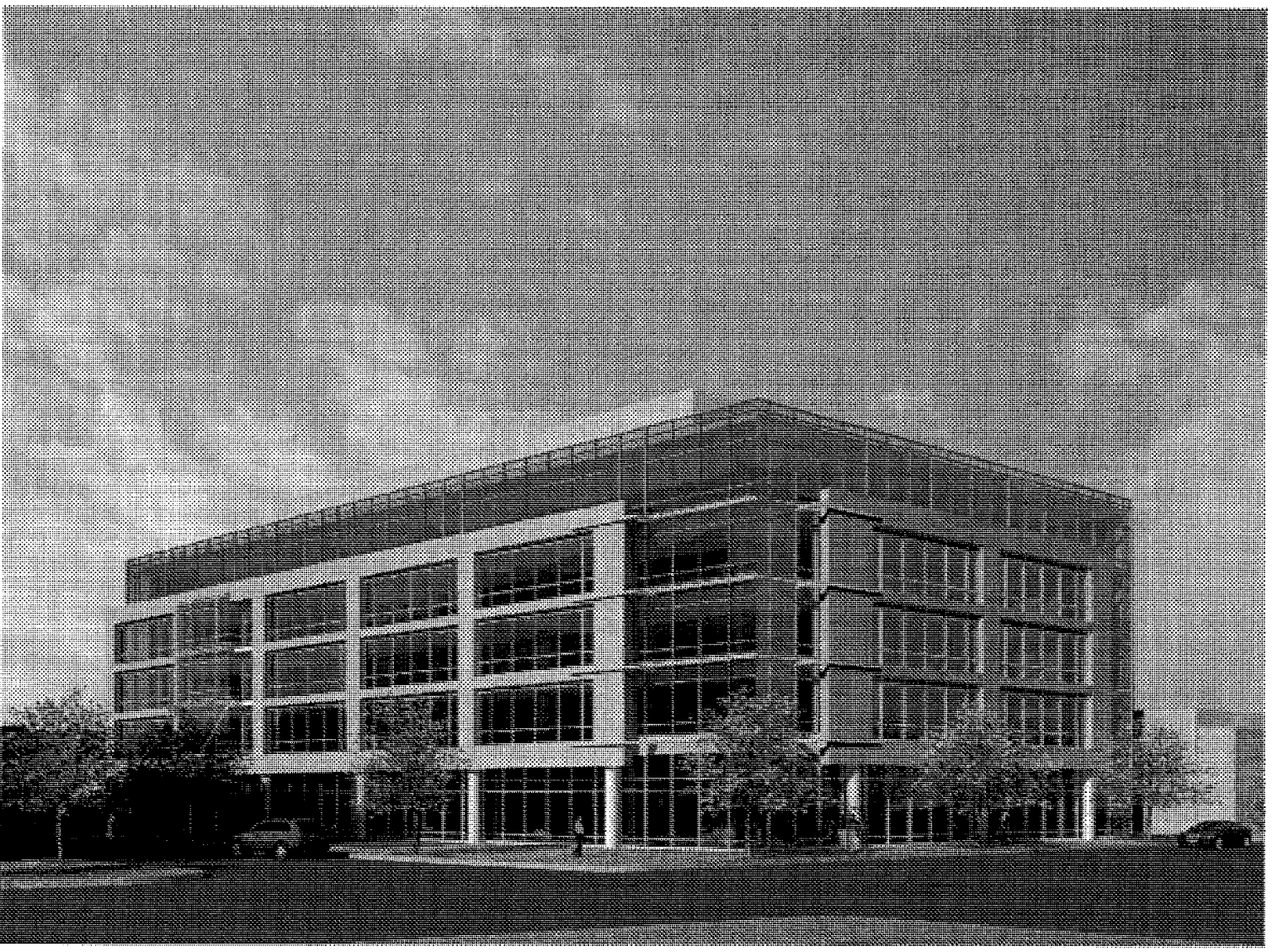
Please send the final rendering we used for the WMATA proposal. I'm looking to post it on our website.

RL

<http://www.lakritzadler.com/index.html>
LAKRITZ ADLER <http://www.lakritzadler.com/index.html>

4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809
www.lakritzadler.com <http://www.lakritzadler.com/>

------ End of Forwarded Message



From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, April 23, 2009 12:20 PM
To: 'robb@lakritzadler.com'
Subject: COA and CDC

COA deadline to let them know if we are proceeding or not was yesterday. If Eagle definitely turned us down on that, shall I let COA know that they should go find another site?

Also, since 1920 8th is over, I should let CuDC know that we are not going to proceed on the CLD contract. We should consider making a donation to them for goodwill, I think, considering how long we dragged it out.

LAKRITZ|ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Robb M. LaKritz <robb@lakritzadler.com>
Sent: Thursday, April 23, 2009 12:24 PM
To: 'Josh Adler' <josh@lakritzadler.com>
Subject: RE: COA and CDC

Yes to both, but do we have to make a donation?

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, April 23, 2009 12:20 PM
To: robb@lakritzadler.com
Subject: COA and CDC

COA deadline to let them know if we are proceeding or not was yesterday. If Eagle definitely turned us down on that, shall I let COA know that they should go find another site?

Also, since 1920 8th is over, I should let CuDC know that we are not going to proceed on the CLD contract. We should consider making a donation to them for goodwill, I think, considering how long we dragged it out.

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, April 23, 2009 12:42 PM
To: 'robb@lakritzadler.com'
Subject: RE: COA and CDC

We don't have to make a donation, but I think it would be good form, considering they are a well-connected and highly regarded D.C. arts organization, and they were probably banking on getting some money from this deal. They are having a 10 year anniversary gala on May 2 at the Atlas – that could be a good occasion. Maybe we could buy ourselves a few tickets or a table or something, though we might be too late to get in the program.

From: Robb M. LaKritz [mailto:robb@lakritzadler.com]
Sent: Thursday, April 23, 2009 12:24 PM
To: 'Josh Adler'
Subject: RE: COA and CDC

Yes to both, but do we have to make a donation?

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, April 23, 2009 12:20 PM
To: robb@lakritzadler.com
Subject: COA and CDC

COA deadline to let them know if we are proceeding or not was yesterday. If Eagle definitely turned us down on that, shall I let COA know that they should go find another site?

Also, since 1920 8th is over, I should let CuDC know that we are not going to proceed on the CLD contract. We should consider making a donation to them for goodwill, I think, considering how long we dragged it out.

LAKRITZ ADLER
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Robb M. LaKritz <robb@lakritzadler.com>
Sent: Thursday, April 23, 2009 1:04 PM
To: 'Josh Adler' <josh@lakritzadler.com>
Subject: RE: COA and CDC

---

ok

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, April 23, 2009 12:42 PM
To: robb@lakritzadler.com
Subject: RE: COA and CDC

We don't have to make a donation, but I think it would be good form, considering they are a well-connected and highly regarded D.C. arts organization, and they were probably banking on getting some money from this deal. They are having a 10 year anniversary gala on May 2 at the Atlas – that could be a good occasion. Maybe we could buy ourselves a few tickets or a table or something, though we might be too late to get in the program.

From: Robb M. LaKritz [mailto:robb@lakritzadler.com]
Sent: Thursday, April 23, 2009 12:24 PM
To: 'Josh Adler'
Subject: RE: COA and CDC

Yes to both, but do we have to make a donation?

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Thursday, April 23, 2009 12:20 PM
To: robb@lakritzadler.com
Subject: COA and CDC

COA deadline to let them know if we are proceeding or not was yesterday. If Eagle definitely turned us down on that, shall I let COA know that they should go find another site?

Also, since 1920 8th is over, I should let CuDC know that we are not going to proceed on the CLD contract. We should consider making a donation to them for goodwill, I think, considering how long we dragged it out.

LAKRITZ ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Tuesday, May 12, 2009 5:02 PM
To: 'Tony Lofrumento' <TLofrumento@hagner.com>
Subject: FW: 1920 8th St (U Street development site)
Attach: 1920 8th St NW Plat.pdf; Florida Ave Metro Sites w Metro Entrance.jpg; 1920 8th street standalone rendering 12-17-07.jpg

---

Attached is the plat and rendering for a by-right office/retail building at 1920 8th Street. The current plans call for a 47,600 SF office building, five stories, thus a footprint of about 9,520 SF. We show about 26 parking spaces in a "tuckunder" type garage that would save a lot of construction cost versus doing a true underground garage, but both are options. Under Arts overlay guidelines, site allows up to 4.5 FAR of commercial or 5.0 FAR of residential space, or 50,940 square feet at 4.5 FAR, height limit 65'. Zoning is C2B Arts Overlay. We have a source for the transferrable arts credits if needed. Lot is 11,320 SF.

I'm also attaching a Google map showing the immediate surrounding area. Our site is marked "8th Street Lot" and shaded. The adjacent Metro-owned lot to north is about 8,600 SF.

Josh

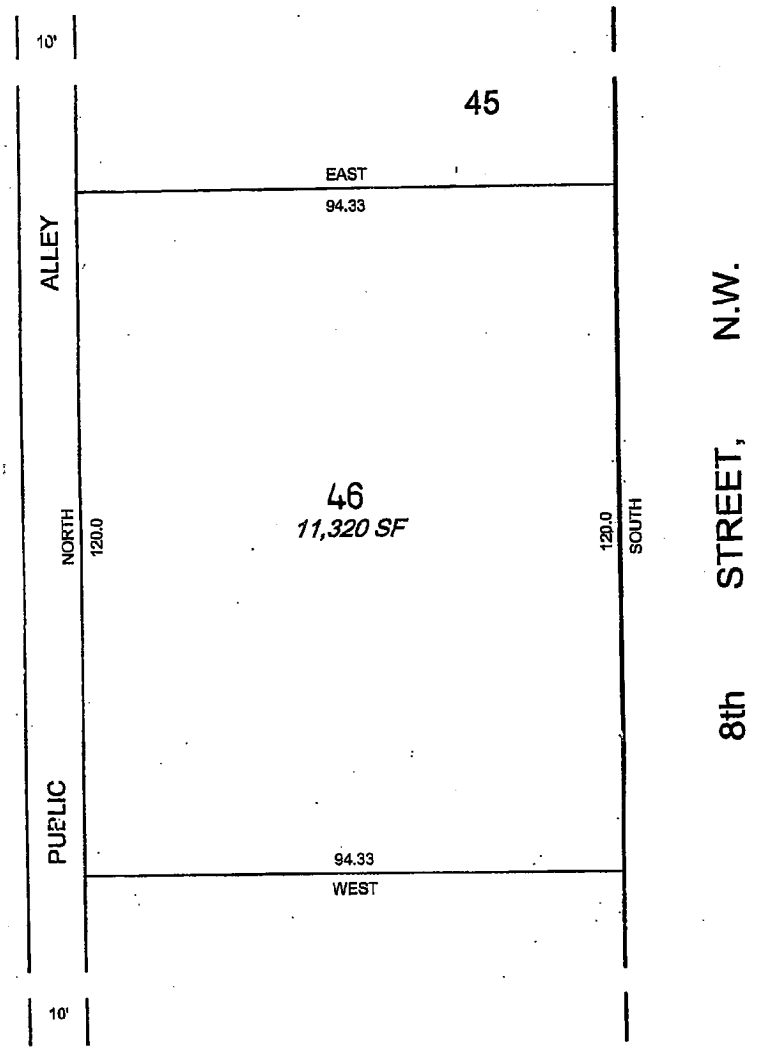
LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 017088

CONFIDENTIAL
LA 1093

SUBDIVISION
SQUARE 393

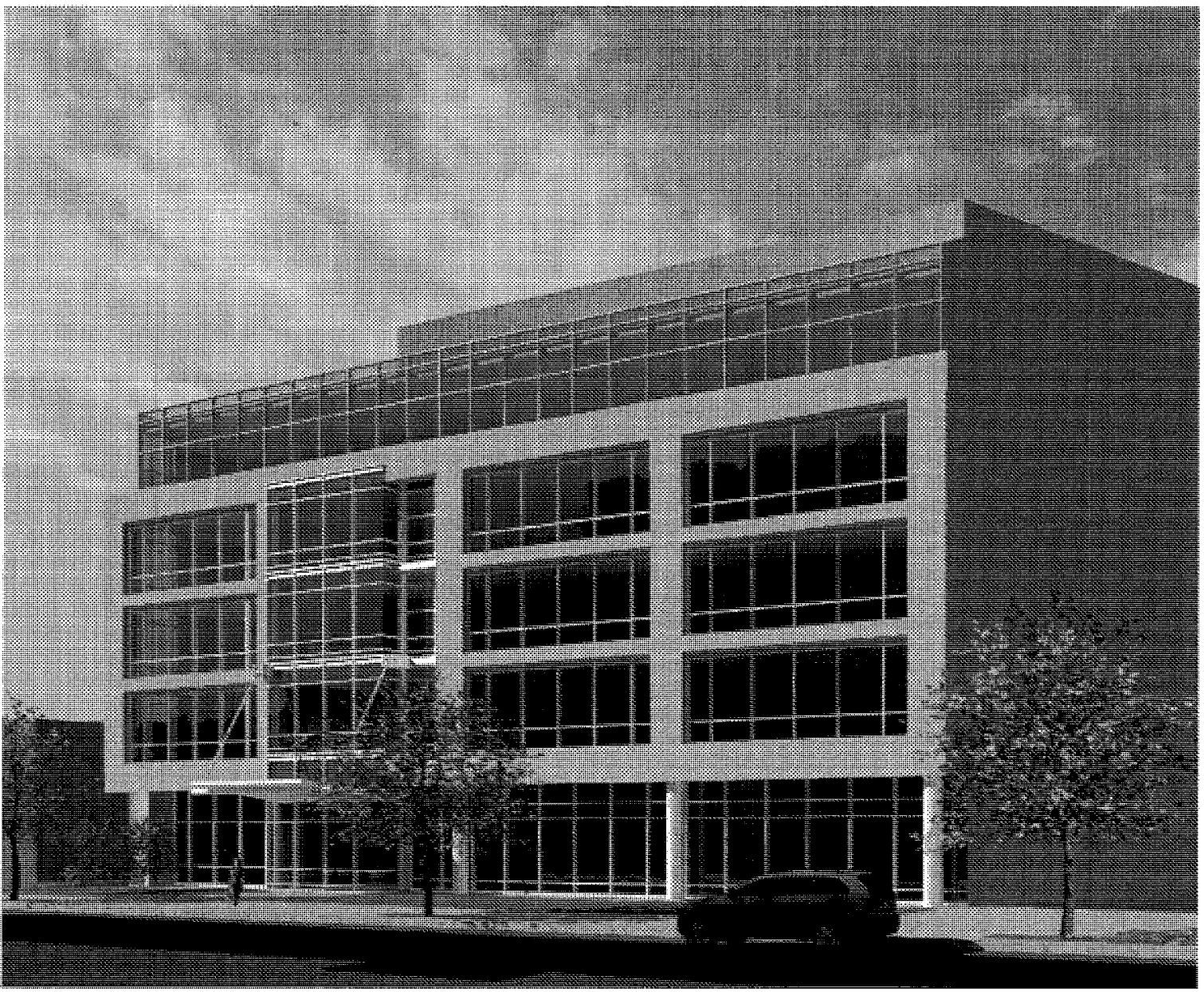


CONFIDENTIAL

LA 1094

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017090



From: Tony Lofrumento <tlofrumento@jstreetcompanies.com>
Sent: Tuesday, May 12, 2009 5:18 PM
To: josh@lakritzadler.com
Subject: Re: 1920 8th St (U Street development site)

Thanks a lot Josh, this is very helpful. Bruce has been running around and I have not had a chance to find out about the user yet. I will follow up shortly.

Tony

-----Original Message-----
From: Josh Adler <josh@lakritzadler.com>
To: Tony Lofrumento
Sent: Tue May 12 17:01:36 2009
Subject: FW: 1920 8th St (U Street development site)

Attached is the plat and rendering for a by-right office/retail building at 1920 8th Street. The current plans call for a 47,600 SF office building, five stories, thus a footprint of about 9,520 SF. We show about 26 parking spaces in a "tuckunder" type garage that would save a lot of construction cost versus doing a true underground garage, but both are options. Under Arts overlay guidelines, site allows up to 4.5 FAR of commercial or 5.0 FAR of residential space, or 50,940 square feet at 4.5 FAR, height limit 65'. Zoning is C2B Arts Overlay. We have a source for the transferrable arts credits if needed. Lot is 11,320 SF.

I'm also attaching a Google map showing the immediate surrounding area. Our site is marked "8th Street Lot" and shaded. The adjacent Metro-owned lot to north is about 8,600 SF.

Josh

4326 8th St., N.W.

Washington, D.C. 20011

T 202.882.0808

F 202.882.0809

From: Tony Lofrumento <tlofrumento@jstreetcompanies.com>
Sent: Thursday, May 14, 2009 12:05 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: RE: 1920 8th St (U Street development site)

---

the prospective purchaser is a housing user. i will keep you posted. thanks.

TONY LOFRUMENTO
Vice President

WOODMARK
1025 Thomas Jefferson Street, NW
Suite 170
Washington, DC 20007
telephone 202.857.5381 cell 202.285.3306
tlofrumento@hagner.com

woodmark_logo_f

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, May 12, 2009 5:02 PM
To: Tony Lofrumento
Subject: FW: 1920 8th St (U Street development site)

Attached is the plat and rendering for a by-right office/retail building at 1920 8th Street. The current plans call for a 47,600 SF office building, five stories, thus a footprint of about 9,520 SF. We show about 26 parking spaces in a "tuckunder" type garage that would save a lot of construction cost versus doing a true underground garage, but both are options. Under Arts overlay guidelines, site allows up to 4.5 FAR of commercial or 5.0 FAR of residential space, or 50,940 square feet at 4.5 FAR, height limit 65'. Zoning is C2B Arts Overlay. We have a source for the transferrable arts credits if needed. Lot is 11,320 SF.

I'm also attaching a Google map showing the immediate surrounding area. Our site is marked "8th Street Lot" and shaded. The adjacent Metro-owned lot to north is about 8,600 SF.

Josh

LAKRITZ | ADLER

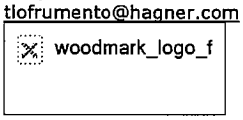
4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Tony Lofrumento <tlofrumento@jstreetcompanies.com>
Sent: Thursday, May 14, 2009 2:26 PM
To: josh@lakritzadler.com
Subject: RE: 1920 8th St (U Street development site)

Thanks, Josh. I will pass that info on.

TONY LOFRUMENTO
Vice President

WOODMARK
1025 Thomas Jefferson Street, NW
Suite 170
Washington, DC 20007
telephone 202.857.5381 cell 202.285.3306
tlofrumento@hagner.com



From: josh@lakritzadler.com [mailto:josh@lakritzadler.com]
Sent: Thursday, May 14, 2009 12:54 PM
To: Tony Lofrumento
Subject: Re: 1920 8th St (U Street development site)

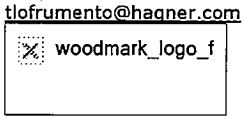
We have a residential plan for the site designed by Colbert.

From: "Tony Lofrumento"
Date: Thu, 14 May 2009 12:05:19 -0400
To: Josh Adler<josh@lakritzadler.com>
Subject: RE: 1920 8th St (U Street development site)

the prospective purchaser is a housing user. i will keep you posted. thanks.

TONY LOFRUMENTO
Vice President

WOODMARK
1025 Thomas Jefferson Street, NW
Suite 170
Washington, DC 20007
telephone 202.857.5381 cell 202.285.3306
tlofrumento@hagner.com



From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, May 12, 2009 5:02 PM
To: Tony Lofrumento
Subject: FW: 1920 8th St (U Street development site)

Attached is the plat and rendering for a by-right office/retail building at 1920 8th Street. The current plans call for a 47,600 SF office building, five stories, thus a footprint of about 9,520 SF. We show about 26 parking spaces in a "tuckunder" type garage that would save a lot of construction cost versus doing a true underground garage, but both are options. Under Arts overlay guidelines, site allows up to 4.5 FAR of commercial or 5.0 FAR of residential space, or 50,940 square feet at 4.5 FAR, height limit 65'. Zoning is C2B Arts Overlay. We have a source for the transferrable arts credits if needed. Lot is 11,320 SF.

I'm also attaching a Google map showing the immediate surrounding area. Our site is marked "8th Street Lot" and shaded. The adjacent Metro-owned lot to north is about 8,600 SF.

Josh

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Josh Adler <josh@lakritzadler.com>
Sent: Thursday, May 14, 2009 2:44 PM
To: 'Tony Lofrumento' <tlofrumento@jstreetcompanies.com>
Subject: RE: 1920 8th St (U Street development site)
Attach: Copy of 1920 8th Street NW Unit Analysis 02-14-06 (2).xls

---

I'm not sure if I still have the Colbert plans, but here is the yield study from those plans. Of course, if the client is an institutional housing user, you'd probably want to push the unit count way up and provide minimal or no parking. You could do 80+ studio apartments with no parking garage, for example.

From: Tony Lofrumento [mailto:tlofrumento@jstreetcompanies.com]
Sent: Thursday, May 14, 2009 2:26 PM
To: josh@lakritzadler.com
Subject: RE: 1920 8th St (U Street development site)

Thanks, Josh. I will pass that info on.

TONY LOFRUMENTO
Vice President

WOODMARK
1025 Thomas Jefferson Street, NW
Suite 170
Washington, DC 20007
telephone 202.857.5381 cell 202.285.3306
tlofrumento@hagner.com

woodmark_logo_f

From: josh@lakritzadler.com [mailto:josh@lakritzadler.com]
Sent: Thursday, May 14, 2009 12:54 PM
To: Tony Lofrumento
Subject: Re: 1920 8th St (U Street development site)

We have a residential plan for the site designed by Colbert.

From: "Tony Lofrumento"
Date: Thu, 14 May 2009 12:05:19 -0400
To: Josh Adler<josh@lakritzadler.com>
Subject: RE: 1920 8th St (U Street development site)
the prospective purchaser is a housing user. i will keep you posted. thanks.

TONY LOFRUMENTO
Vice President

WOODMARK
1025 Thomas Jefferson Street, NW
Suite 170
Washington, DC 20007
telephone 202.857.5381 cell 202.285.3306
tlofrumento@hagner.com

woodmark_logo_f

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, May 12, 2009 5:02 PM
To: Tony Lofrumento
Subject: FW: 1920 8th St (U Street development site)

Attached is the plat and rendering for a by-right office/retail building at 1920 8th Street. The current plans call for a 47,600 SF office building, five stories, thus a footprint of about 9,520 SF. We show about 26 parking spaces in a "tuckunder" type garage that would save a lot of construction cost versus doing a true underground garage, but both are options. Under Arts overlay guidelines, site allows up to 4.5 FAR of commercial or 5.0 FAR of residential space, or 50,940 square feet at 4.5 FAR, height limit 65'. Zoning is C2B Arts Overlay. We have a source for the transferrable arts credits if needed. Lot is 11,320 SF.

I'm also attaching a Google map showing the immediate surrounding area. Our site is marked "8th Street Lot" and shaded. The adjacent Metro-owned lot to north is about 8,600 SF.

Josh

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

FOIA CONFIDENTIAL TREATMENT REQUESTED

1920 8th STREET NW
UNIT ANALYSIS
2/14/2006

FLOOR	FAR GSF	NON-FAR GSF	TOTAL GSF	INDOOR RESIDENTIAL GSF		UNIT TYPE / NET SELLABLE SQUARE FEET								
						Unit Number								
						1	2	3	4	5	6	7	8	9
P2	---	11320	11320	---										
P1	---	11320	11320	---										
CELLAR	---	7923	7923	7923	Type	2BR	1BR	1BR/Den	Eff	1 BR/Den	1BR/Den	1BR	1BR	---
					Indoor Area	1,032	785	843	408	841	829	733	707	---
					Outdoor Area	130	96	105	49	ma	---	---	---	---
					Total Area	1,162	881	948	457	841	829	733	707	---
1ST	8256	80	8336	8336	Type	1BR/Den	1BR	1BR	1BR/Den	Eff	1BR	1BR	1BR	1BR/ Den
					Indoor Area	880	733	785	843	401	628	829	722	829
					Outdoor Area	---	---	---	---	---	---	---	---	---
					Total Area	880	733	785	843	401	628	829	722	829
2ND	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
					Indoor Area	881	733	785	880	859	809	829	765	722
					Outdoor Area	48	48	48	48	48	51	---	---	---
					Total Area	929	781	833	928	907	860	829	765	722
3RD	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
					Indoor Area	881	733	785	880	859	809	829	765	722
					Outdoor Area	48	48	48	48	48	51	---	---	---
					Total Area	929	781	833	928	907	860	829	765	722
4TH	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
					Indoor Area	881	733	785	880	859	809	829	765	722
					Outdoor Area	48	48	48	48	48	51	---	---	---
					Total Area	929	781	833	928	907	860	829	765	722
5TH	8926	480	9406	9100	Type	1BR/Den	1BR	1BR	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR/Den	1BR
					Indoor Area	881	733	785	880	859	809	829	765	722
					Outdoor Area	48	48	48	48	48	51	---	---	---
					Total Area	929	781	833	928	907	860	829	765	722
6TH	7086	428	7514	7216	Type	2BR/Den	2BR/Den	1BR	2BR/Den	2BR/Den	1BR	---	---	---
					Indoor Area	1,118	1,177	785	1,232	1,259	744	---	---	---
					Outdoor Area	28	96	48	48	51	---	---	---	---
					Total Area (6th)	1,146	1,273	833	1,280	1,310	744	---	---	---
PENTHOUSE	---	1958	1958	---	Indoor Area	215	326	296	224	252	173	---	---	---
					Outdoor Area	1041	549	373	866	1,000	790	---	---	---
					Total Area (Penthouse)	1,256	875	669	1,090	1,252	963	---	---	---

CONFIDENTIAL

LA 1102

WMATA-INV 017104

FOIA CONFIDENTIAL TREATMENT REQUESTED

	P	Q	R	S	T	U	V	W	X	Y	Z
1											
2											
3											
4											
5		TOTAL INDOOR NSF	TOTAL OUTOOR NSF	TOTAL NSF	UNIT TYPE BREAKDOWN						
6											
7	10				Eff	1BR	1BR/Den	1BR/PH	2BR	2BR/Den/PH	TOTAL
8											
9											
10	---										
11	---	6,178									
12	---		380		1	3	3		1	---	8
13	---			6,558							
14											
15	---										
16		6,650									
17			---		1	5	3		---	---	9
18				6,650							
19											
20	1BR/Den										
21	865	8,128									
22	---		291		---	3	7		---	---	10
23	865			8,419							
24											
25	1BR/Den										
26	865	8,128									
27	---		291		---	3	7		---	---	10
28	865			8,419							
29											
30	1BR/Den										
31	865	8,128									
32	---		291		---	3	7		---	---	10
33	865			8,419							
34											
35	1BR/Den										
36	824	8,087									
37	39		330		---	3	7		---	---	10
38	863			8,417							
39											
40	---										
41	---	6,315									
42	---		271		---	---	---	2	---	4	6
43	---			6,586							
44	---	1,486									
45	---		4,619								
46	---			6,105							

WMATA-INV 017105

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
47						**Total Indoor Area (6th+PH)**	1333	1503	1081	1456	1511	917			
48						**Total Outdoor Area (6th+PH)**	1069	645	421	914	1051	790			
49						**Total Area (6th+PH)**	**2,402**	**2,148**	**1,502**	**2,370**	**2,562**	**1,707**			
50	**TOTAL**	**51,046**	**34,949**	**85,995**	**59,875**										
51															
52															
53															
54	REC. SPACE AT LOBBY =				823										
55	REC. SPACE AT 6TH FLOOR ROOF =				1721										
56	REC. SPACE AT MAIN ROOF =				0										
57	**TOTAL REC. SPACE**				**2544**										
58	RES. REC. SPACE REQ'D =				8981										
59	MAX. PENTHOUSE AREA =				4188.4										
60															
61															

WMATA-INV 017106

FOIA CONFIDENTIAL TREATMENT REQUESTED

	P	Q	R	S	T	U	V	W	X	Y	Z
47											
48											
49											
50		**53,100**	**6,473**	**59,573**	**2**	**20**	**34**	**2**	**1**	**4**	**63**
51					3.17%	31.75%	53.97%	3.17%	1.59%	6.35%	
52											
53											
54											
55											
56											
57											
58											
59											
60											
61											

WMATA-INV 017107

From: Clay Chavers <chavlawfirm@gmail.com>
Sent: Friday, May 15, 2009 10:54 AM
To: Goldschmidt, Stanley <SGoldschmidt@ralaw.com>
Cc: Robb LaKritz <robb@lakritzadler.com>; Josh Adler <josh@lakritzadler.com>; Aberham & Fattaneh Medhane <amedhane@comcast.net>
Subject: RE: 1920 8th Street

Hello Stanley,
As I have become use to talking with your clients directly over the years, please forgive my laxity as I called and left them a message earlier this week. Old habits, as you know are in deed hard to break.
At that time, I was asking them to advise me of their interest in trying to come to agreement on their obligation on the lease with my client. Dr Medhane, has instructed me to offer them an opportunity to settle with him on the debt due from the lease on the 8th street property. My client will need to leave the country next week again for an extended time period and wishes to have this matter resolved or well on its way to resolution by next Tuesday May 19. 2009. Please be advised that if we are unable to do so we will seek all the remedies available to us as prescribed in our lease agreement. As I have said in the past, I will also look to see if personal obligations apply.
I'm sure you understand as the requirement we have as attorneys require us to explore all possible avenues in the interest of our clients.
If there is any interest in avoiding further litigation and I hope there is, please let me know if we can explore the possibilities in settling this matter. My client has and does still feel an affection for Josh and Rob personally and would like to avoid court if possible but his personal financial situation dictates that he take prudent business steps within the law.
Please let me know your thoughts ASAP.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.
1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]

Sent: Friday, February 20, 2009 8:59 AM
To: Clay Chavers
Cc: Robb LaKritz; Josh Adler
Subject: 1920 8th Street

Mr. Chavers - Please see attached letter.

Stan Goldschmidt

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.
No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.0.237 / Virus Database: 270.10.25/1957 - Release Date: 02/17/09 07:07:00

From: Goldschmidt, Stanley <SGoldschmidt@ralaw.com>
Sent: Friday, May 15, 2009 11:17 AM
To: chavlawfirm@gmail.com; robb@lakritzadler.com; josh@lakritzadler.com
Subject: Re: 1920 8th Street

Clay - I am out of town - my daughter is gettimg married on Sunday. I hope to be back in the office on Monday afternoon. I trust you understand I will be preoccupied until Monday. I would rather you deal witn me rather than Robb/Josh.

Thank you. Stan

----- Original Message -----
From: Clay Chavers <chavlawfirm@gmail.com>
To: Goldschmidt, Stanley
Cc: Robb LaKritz <robb@lakritzadler.com>; Josh Adler <josh@lakritzadler.com>; Aberham & Fattaneh Medhane <amedhane@comcast.net>
Sent: Fri May 15 10:54:12 2009
Subject: RE: 1920 8th Street

Hello Stanley,
As I have become use to talking with your clients directly over the years, please forgive my laxity as I called and left them a message earlier this week. Old habits, as you know are in deed hard to break.
At that time, I was asking them to advise me of their interest in trying to come to agreement on their obligation on the lease with my client. Dr Medhane, has instructed me to offer them an opportunity to settle with him on the debt due from the lease on the 8th street property. My client will need to leave the country next week again for an extended time period and wishes to have this matter resolved or well on its way to resolution by next Tuesday May 19. 2009. Please be advised that if we are unable to do so we will seek all the remedies available to us as prescribed in our lease agreement. As I have said in the past, I will also look to see if personal obligations apply.
I'm sure you understand as the requirement we have as attorneys require us to explore all possible avenues in the interest of our clients.
If there is any interest in avoiding further litigation and I hope there is, please let me know if we can explore the possibilities in settling this matter. My client has and does still feel an affection for Josh and Rob personally and would like to avoid court if possible but his personal financial situation dictates that he take prudent business steps within the law.
Please let me know your thoughts ASAP.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.
1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements

related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]
Sent: Friday, February 20, 2009 8:59 AM
To: Clay Chavers
Cc: Robb LaKritz; Josh Adler
Subject: 1920 8th Street

Mr. Chavers - Please see attached letter.

Stan Goldschmidt

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005
Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.
No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.0.237 / Virus Database: 270.10.25/1957 - Release Date: 02/17/09 07:07:00

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

From: Josh Adler <josh@lakritzadler.com>
Sent: Friday, May 15, 2009 2:46 PM
To: 'Tony Lofrumento' <tlofrumento@jstreetcompanies.com>
Subject: RE: 1920 8th St (U Street development site)

Your office number does not work – it says "this is an emergency elevator service call" when dialed.

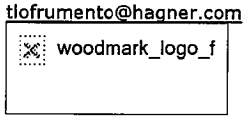
We need to make some decisions about 8th street very soon – we should talk directly to Bruce to understand what he needs or is looking for, including whether he wants our ground lease or prefers fee simple purchase. I'm leaving town for three weeks late next week, so time is limited.

From: Tony Lofrumento [mailto:tlofrumento@jstreetcompanies.com]
Sent: Thursday, May 14, 2009 2:26 PM
To: josh@lakritzadler.com
Subject: RE: 1920 8th St (U Street development site)

Thanks, Josh. I will pass that info on.

TONY LOFRUMENTO
Vice President

WOODMARK
1025 Thomas Jefferson Street, NW
Suite 170
Washington, DC 20007
telephone 202.857.5381 cell 202.285.3306
tlofrumento@hagner.com



From: josh@lakritzadler.com [mailto:josh@lakritzadler.com]
Sent: Thursday, May 14, 2009 12:54 PM
To: Tony Lofrumento
Subject: Re: 1920 8th St (U Street development site)

We have a residential plan for the site designed by Colbert.

From: "Tony Lofrumento"
Date: Thu, 14 May 2009 12:05:19 -0400
To: Josh Adler<josh@lakritzadler.com>
Subject: RE: 1920 8th St (U Street development site)
the prospective purchaser is a housing user. i will keep you posted. thanks.

TONY LOFRUMENTO
Vice President

WOODMARK
1025 Thomas Jefferson Street, NW
Suite 170
Washington, DC 20007
telephone 202.857.5381 cell 202.285.3306
tlofrumento@hagner.com

woodmark_logo_f

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, May 12, 2009 5:02 PM
To: Tony Lofrumento
Subject: FW: 1920 8th St (U Street development site)

Attached is the plat and rendering for a by-right office/retail building at 1920 8th Street. The current plans call for a 47,600 SF office building, five stories, thus a footprint of about 9,520 SF. We show about 26 parking spaces in a "tuckunder" type garage that would save a lot of construction cost versus doing a true underground garage, but both are options. Under Arts overlay guidelines, site allows up to 4.5 FAR of commercial or 5.0 FAR of residential space, or 50,940 square feet at 4.5 FAR, height limit 65'. Zoning is C2B Arts Overlay. We have a source for the transferrable arts credits if needed. Lot is 11,320 SF.

I'm also attaching a Google map showing the immediate surrounding area. Our site is marked "8th Street Lot" and shaded. The adjacent Metro-owned lot to north is about 8,600 SF.

Josh

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

From: Clay Chavers <chavlawfirm@gmail.com>
Sent: Friday, May 15, 2009 2:49 PM
To: Goldschmidt, Stanley <SGoldschmidt@ralaw.com>; robb@lakritzadler.com; josh@lakritzadler.com
Cc: Aberham & Fattaneh Medhane <amedhane@comcast.net>
Subject: RE: 1920 8th Street

Hello Stan,
As you know, I am ethically obligated to honor your request and I do so willingly. Congratulations on the wedding of your daughter. As the, father of the bride, I'm sure you have your hands full and this will wait until your return on Monday.
At that time, or as soon thereafter as possible, I'd need to have some indication of your clients' position on how they wish to proceed. Dr. Medhane has asked me to have some indication by Tuesday.
On Monday, if you want to, please give me a call at 410-531-6099.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.
1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com email
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]
Sent: Friday, May 15, 2009 11:17 AM
To: chavlawfirm@gmail.com; robb@lakritzadler.com; josh@lakritzadler.com
Subject: Re: 1920 8th Street

Clay - I am out of town - my daughter is gettimg married on Sunday. I hope to be back in the office on Monday afternoon. I trust you understand I will be preoccupied until Monday. I would rather you deal witn me rather than Robb/Josh.

Thank you. Stan

----- Original Message -----
From: Clay Chavers <chavlawfirm@gmail.com>
To: Goldschmidt, Stanley
Cc: Robb LaKritz <robb@lakritzadler.com>; Josh Adler <josh@lakritzadler.com>; Aberham & Fattaneh Medhane <amedhane@comcast.net>
Sent: Fri May 15 10:54:12 2009
Subject: RE: 1920 8th Street

Hello Stanley,
As I have become use to talking with your clients directly over the years, please forgive my laxity as I called and left them a message earlier this week. Old habits, as you know are in deed hard to break.
At that time, I was asking them to advise me of their interest in trying to

come to agreement on their obligation on the lease with my client. Dr Medhane, has instructed me to offer them an opportunity to settle with him on the debt due from the lease on the 8th street property. My client will need to leave the country next week again for an extended time period and wishes to have this matter resolved or well on its way to resolution by next Tuesday May 19. 2009. Please be advised that if we are unable to do so we will seek all the remedies available to us as prescribed in our lease agreement. As I have said in the past, I will also look to see if personal obligations apply.
I'm sure you understand as the requirement we have as attorneys require us to explore all possible avenues in the interest of our clients.
If there is any interest in avoiding further litigation and I hope there is, please let me know if we can explore the possibilities in settling this matter. My client has and does still feel an affection for Josh and Rob personally and would like to avoid court if possible but his personal financial situation dictates that he take prudent business steps within the law.
Please let me know your thoughts ASAP.
My best.

Clayborne E. Chavers, Sr.Esq.
The Chavers Law Firm, P.C.
1250 Connecticut Avenue, NW
Suite 200
Washington, D.C. 20036
202-835-1800 office
301-596-9442 facsimile service
chavlawfirm@gmail.com
www.chavlawfirm.com web site

PRIVILEGED ATTORNEY/CLIENT COMMUNICATION AND/OR ATTORNEY WORK PRODUCT. The information in this transmittal may be privileged and/or confidential. It is intended only for the recipient(s) listed above. If you are neither the intended recipient(s) nor a person responsible for the delivery of this transmittal to the intended recipient(s), you are hereby notified that any distribution or copying of this transmittal is prohibited. If you have received this transmittal in error, please notify The Chavers Law Firm, P.C. immediately at (202)835-1800 or by return e-mail. Pursuant to requirements related to practice before the U. S.Internal Revenue Service, any tax advice contained in this communication (including any attachments) is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

-----Original Message-----
From: Goldschmidt, Stanley [mailto:SGoldschmidt@ralaw.com]
Sent: Friday, February 20, 2009 8:59 AM
To: Clay Chavers
Cc: Robb LaKritz; Josh Adler
Subject: 1920 8th Street

Mr. Chavers - Please see attached letter.

Stan Goldschmidt

Stanley H. Goldschmidt
Roetzel & Andress
1300 Eye Street, NW
Suite 400 East
Washington, DC 20005

Main Phone No: (202) 625-0600
Direct Dial: (202) 216-8306
Fax No.: (202) 338-6340
Email: sgoldschmidt@ralaw.com
www.ralaw.com
Both Stanley H. Goldschmidt and Roetzel & Andress intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unauthorized disclosure or use of this information is strictly prohibited. If you have received this communication in error, please permanently dispose of the original message and notify Stanley H. Goldschmidt immediately at (202) 625-0600. Thank you.

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.
No virus found in this incoming message.
Checked by AVG - www.avg.com
Version: 8.0.237 / Virus Database: 270.10.25/1957 - Release Date: 02/17/09 07:07:00

Any federal tax advice contained herein or in any attachment hereto is not intended to be used, and cannot be used, to (1) avoid penalties imposed under the Internal Revenue Code or (2) support the promotion or marketing of any transaction or matter. This legend has been affixed to comply with U.S. Treasury Regulations governing tax practice.

From: Josh Adler <josh@lakritzadler.com>
Sent: Wednesday, November 18, 2009 3:33 PM
To: 'Robb LaKritz' <robb@lakritzadler.com>
Subject: Loose Lips

Did you see this?

The New Cronies Adrian Fenty, some frat buddies, and $86 million in city spending.

By Mike DeBonis
Posted: October 28, 2009

Grecian Formula: Fenty + frat pal Skinner + city contracts = embarrassing headlines.
(Darrow Montgomery)

Washington City Paper

Recent Loose Lips

Is Fenty's Exercise Regimen Clouding His Judgment?
The mayor swims, bikes, runs—and, possibly, snaps.
Posted: November 11, 2009

Fast Company
How Fenty sacrifices the principles of good government to get his projects done.
Posted: November 4, 2009

Out With the Old
The Fenty administration's war with power broker David Wilmot and his nonprofit group home outfit.
Posted: October 21, 2009

Send a Letter to the Editor

He calls him "God."

He says things like this: "I spoke to God, and God wanted me to have this." Or "God wants us to live well." Or "God's going to make it rain."

Those sound like the words of a priest. But this man is not a priest; he is a developer named **Omar Karim**.

He does not speak in churches; he talks about "God" in VIP rooms and cigar lounges and in private meetings with investors. And "God" is not God; "God" is Mayor **Adrian M. Fenty**.

Has "God" been good to Omar Karim? Someone, somewhere, has been good to Karim.

His firm, Banneker Ventures, has been cut in on one of the biggest redevelopment deals in the city—the sprawling project to turn the old Temple Courts and Sursum Corda housing projects into a gleaming mixed-use, mixed-income development called Northwest One. Banneker has also won lucrative contracts to serve as co-construction managers for a pair of city projects: a rebuild of Walker-Jones Elementary School and a new Deanwood Recreation Center—projects that have helped send $1.8 million to Karim's company since July 2008.

And now comes the revelation that Banneker has won the right to manage tens of millions of dollars in parks construction contracts—contracts that had been sent to the D.C. Housing Authority (DCHA) in a governmental sleight of hand engineered in such a way as to elude D.C. Council oversight or at the very least, short-circuit city procurement practices.

Banneker Ventures, over the past two years, has been the subject of much whispering in political and development circles. That's thanks, in no small part, to its ties to three of the most controversial characters in Fenty's political sphere.

First comes the 36-year-old Banneker co-founder Karim, a law school classmate and Kappa Alpha Psi fraternity brother of Fenty's. The other co-founder is **Warren C. Williams Jr.**, the businessman whose involvement in a bid to operate the D.C. Lottery led to a political showdown at the D.C. Council. Williams has since split with Karim, forming his own development enterprise, the Warrenton Group.

And then there's **Sinclair Skinner**, the controversial street activist turned consultant and fixer who has maintained his place in the Fenty inner sanctum. He has done work for Banneker in the past, though the nature of his ongoing relationship with the firm is unclear. But his utility to Fenty is ongoing; Skinner was spotted last week campaigning in Hillcrest with Hizzoner.

Banneker's emissaries know where to find top officials in the city development apparatus—especially development director **David Jannarone** and former deputy mayor and now City Administrator **Neil O. Albert**. They've been planted in the city entourage at the yearly Las Vegas retail convention; they're fixtures at the regular happy hours that the deputy mayor's office throws at swank locales; Jannarone and Skinner famously traveled together to the Dominican Republic, gifting city emergency equipment in the process.

Whether Banneker could compete for city contracts on its own bona fides is a matter of debate. It's a small, young firm without the sort of track record this city's premier developers—the **Jim Abdos** and **Chris Donatellis** and **Doug Jemals**—can point to. Not by a long shot. Yet the company has found sustenance away from the teat of D.C. municipal contracting. It competed for, and won, the right to develop a highly sought Metro-owned parcel. Banneker is currently trying to come to terms with financiers to start construction on what's tentatively called Jazz @ Florida Avenue.

And Karim's expertise is apparently such that he appeared earlier this year on a panel of judges tasked with choosing who would redevelop the former Stevens Elementary School. Multiple developers expressed concern to LL that Karim, as a potential competitor in future projects, would have had access in his judging role to their proprietary financial figures.

If there are any holes in the Banneker CV, perhaps the deal with DCHA will close them. The company—jointly bidding with

Regan Associates, a well-regarded Herndon management and development firm—won the right from DCHA to manage the parks projects, beating out 12 others. By LL's deadline on Tuesday evening, much was still unknown about the contract. The D.C. Council was circulating a contract list of unknown origin showing that the deal involved 12 projects to renovate parks or recreation centers totaling $82 million and that the individual projects had been let to several construction firms, all of which had donated early and heavily to Fenty's re-election campaign. DCHA would confirm only that Banneker had won the single contract to manage all of the projects, saying the remainder of the contracting had not been approved.

After months of CFSA and DPR and AG, DCHA is a refreshing acronym to find in the headlines. Here's an agency that has escaped public attention for most of the nine years since it left receivership, and that's part of its appeal as a channel for hassle-free contracting. The parks deal was done through the D.C. Housing Enterprises, a nonprofit wholly owned by DCHA that manages projects for other government agencies. "It's a win-win," says DCHA spokesperson **Dena Michaelson**, referring to a process in which her agency uses its managerial muscle and other agencies get their projects done faster.

And there's been a lot more winning of late. From 2006 to 2008, DCHA transfers never broke $30 million. But since January, more than $57 million has been sent to the quasi-governmental entity, accountable to its own mayorally appointed board. That doesn't include the bulk of the parks money. (Not all of the money, however, is apportioned to construction projects.)

Funneling contracts through DCHA aligns with Fenty's git-'er-done governing ideology. Besides a new school, nothing makes an impression on constituents (and voters) like a sparkling new park or rec center. In an attempt to become the Domino's of new-parks delivery service, Fenty last November tried to hand DPR projects over to the independent schools facilities shop administered by **Allen Y. Lew**. The power move ran into opposition from council parks committee chair **Harry Thomas Jr.**, who pushed through a bill preventing any transfer of DPR projects outside the agency—and thus evading his oversight.

Timing, as they say, is everything. The Banneker contract, Thomas says, was approved in late September, as DCHA's longtime executive director, **Michael Kelly**, already had one foot out of the door toward his new job as New York City's public housing chief. It also may shed some light on the reason for the sudden termination this spring of **Clark Ray** as parks-and-rec chief. Says Ray, "I can tell you without a doubt, we went by the book on every contract we had over $1 million."

In February, Ray signed a memorandum sending $57 million in parks money over to the deputy mayor for planning and economic development, which in turn handed it to DCHA. Under his successor, **Ximena Hartsock**, that amount was increased to $68.4 million and then, last month, to $86.9 million.

Bypassing the council appears to be the driving force behind all the maneuvering. From all indications, the funds moved to DCHA not through a "reprogramming," which comes with legislative oversight, but through "intradistrict transfers" to the deputy mayor and grants to DCHA, which do not. The parks contract was bid among 13 companies, then vetted by housing agency board members, but not sent to the council for approval.

Fenty denies trying to circumvent the council in getting his rec centers and parks built. And now that the issue has blown up in his face, he has continued down that path. On Monday, Attorney General **Peter Nickles** ruled that the Banneker

contract, already awarded, doesn't need to be sent back to the council, even though it should have been sent there in the first place. The Nickles opinion seems likely to force the court showdown that councilmembers have long been threatening. That the Fenty administration, intentionally or not, came so close to slipping $86 million in spending past the D.C. Council is scary enough. The scheme was revealed this week after council staff noticed a spate of public groundbreakings without seeing any submitted contracts, coupled with the concerns registered by an aggrieved contractor with another council office.

Says Thomas, "The mayor's PR machine got him in trouble."

On Tuesday morning, LL attended another PR event—an announcement of the imminent construction of one of the first pieces of the Northwest One development. There, Fenty announced the many benefits to come, introducing megadeveloper **Chris Smith** of the William C. Smith & Co. Present, but not taking the podium was Williams, whose Warrenton Group is codeveloping the 300-unit building (located, incidentally, next to DCHA headquarters).

After the announcement, LL asked Hizzoner how to describe the city-contract beneficiaries that have been painted in the media with the broad brush of "frat brother" (as opposed to his "running buddies," who tend to get appointed to relatively minor boards and commissions.)

How to describe Karim, Skinner, et al.—friends, frat brothers, acquaintances, some other moniker?

"All of the above," said Fenty. He declined to elaborate.

Get Loose Lips Daily every weekday morning in your inbox—sign up at washingtoncitypaper.com/blogs/citydesk. Got a tip for LL? Send suggestions to lips@washingtoncitypaper.com. Or call (202) 332-2100, x 244, 24 hours a day.

Comments

Comment on this Article Hide Comments (43 comments)

- **dc1967** Oct. 28, 2009 3:04 pm

Fenty is nothing but a scumy crook..why isnt the FBI or congress investigating??

- **1intheKnow** Oct. 28, 2009 3:20 pm

Alas, it doesn't take much imagination to conjure up this scenario:
AG Nickles: "As the city's lawyer, these contracts were improper. Even an independent agency must get Council approval for contracts in excess of $1 million."
Fenty: "Hey, Consigliere, whaddaya doin' to me? These are my friends getting these contracts. We had a deal. Don'tcha get it?"
Nickles: "Ahem... on further reflection, I find that, although the process may have been less than perfect, the contracts are valid and enforceable. The people involved didn't know they were breaking the law. The contracts must be honored."
Disgraceful.
And as for the suggestion that the vendors should not be penalized because they didn't know the contracts were illegal? Don't bet on it. These are Mayor Skippy's buddies, remember? I'd be very surprised if there hadn't been plenty of conversations about how to rig these contracts and slip them under the Council's radar.

- **1intheKnow** Oct. 28, 2009 3:29 pm

[Today's Update on this Sorry Situation: AG Nickles, by way of supposed apology to Councilmember Cheh - for his outburst at her questioning the ethics and legality of the Fenty Administration's shenanigans in this situation - presents her with some flowers. (Read the DC Wire in the WaPo for further details. It's really rather amusing, in a politically horrific way.)]
So Mr. Nickles's "apology" for a sexist and demeaning outburst was to give the "stupid" and "angry woman" flowers? That strikes me as pretty sexist and demeaning in itself. (I can't help but wonder whether any sincere apology accompanied the gift, or if Nickles was secretly smirking to himself.)
(Unfortunately, Ms. Cheh's response that she "likes chocolate" - while no doubt intended to be lighthearted and to defuse some of the tension - doesn't help her cause in this situation; it just plays into the sexist stereotype. I bet she wishes she could have that moment back.)

If Mr. Nickles truly wishes to atone for his inappropriate behavior, the right thing to do - to show proper respect for Ms. Cheh as a member of the elected legislature (and for her fellow Councilmembers as well) - would be to cooperate with Council inquiries and investigations, as opposed to ignoring and stonewalling them.
And, in general, to represent all of the government and citizens of the District, not just the Mayor. For an attorney of his reputation and experience and supposed expertise, he seems to have an awful lot of trouble grasping the difference between his previous position (Chief Counsel to the Mayor) and his present one.

- **1intheKnow** Oct. 28, 2009 3:31 pm

And, last but not least:
In related news, the DC Government has announced a vacancy in the post of General Counsel for the Derpartment of Parks and Recreation. Is it any wonder that there might be a problem finding a qualified (read: ethically scrupulous) attorney for this position?
But how silly of me: Considering that the chosen candidate will report directly to Fenty functionary Hartsock and consigliere Nickles, one can just imagine the *real* job qualifications.

- **Marciela** Oct. 28, 2009 4:32 pm

Everyone in the movie "In Too Deep" called LL Cool J's characer God. He finally went to prison for all of his acts. Just when things don't seem to be able to become more unbelievable you can count on Fenty to not fail to surprise. He basically gives everyone the middle finger every day. And he knows no one will do anything about it.

- **Adrian Bent-Me** Oct. 28, 2009 4:50 pm

Come on, what do you all expect from this guy. Fenty robbed a family out of a trust that he was in charge of, during his early years fresh out of law school. When his ass was about to be disbarred, his trusty consig, Nickles, swooped in to save the day. He couldn't cut it as an attorney, so he thought he would go where the easy money is, Politics. Fits right in. So what do all expect from a guy who was willing to cheat a dead person's family out of a few thousand bucks? Now that he has access to the City's coffers, what's a few hundred million dollars ...

- **Tired of the BS** Oct. 28, 2009 5:18 pm

Actually, the Jazz project is another example of teat-suckling. Banneker got the project by bidding above market value for the land and then, lo and behold, DC govt came through for him with both a TIF ($7 million) and a stimulus subsidy (unspecified in the WBJ coverage). And that's all before ground has been broken. So, yeah, you can be a big spender when it's OPM you're spending.

- **dc1967** Oct. 28, 2009 5:20 pm

Adrian Bent-me.....Can you please explain???

- **Tired of the BS** Oct. 28, 2009 5:26 pm

And it's time to start naming names re the DCHA Board of Commissioners -- the Council should call Bill Slover, LaRuby May, Anthony Wash, and Valerie Santos (all of whose appointments they confirmed in the past 6 months) to account for their role in these contracts.

- **JimmyWalker-Johhnie's Cousin** Oct. 28, 2009 7:14 pm

This is what I found on Fenty's pass dealings. Nothing stuck, but pretty shady indeed.
http://www.thehilltoponline.com/campus/d-c-councilman-adrian-fenty-under-investigation-1.473421

- **Tired of the BS** Oct. 28, 2009 9:55 pm

http://www.washingtonpost.com/wp-dyn/content/article/2005/09/02/AR2005090200017.html
has details about the case/sanction.

- **Dig Deeper LL...** Oct. 28, 2009 11:32 pm

Not impressed with this story at all, LL.
Dig a little deeper and you'll find that one of the top DCHA officials is named Vincent Carlos Gray... the son of Council Chair Vince Gray. What was his role in these contracts? If he thought some funny business was going on why wouldn't he alert his father before all of these contracts were awarded?
Very strange... I say get rid of the crooked Councilmembers (Gray, Cheh, Thomas, Barry, and the Browns).

- **Perhaps You Should Dig Deeper** Oct. 29, 2009 1:55 am

To "Dig Deeper"....
You should indeed "DIG DEEPER..."
Do your own homework before you start making ridiculous accusations.

Because in fact, if you did, then you would have discovered that Vincent Carlos Gray (who is not a member of the DCHA Executive Staff) works in a completely different Department at DCHA than the Department (DC Housing Enterprises) which has been identified in this situation.
"Corrupt" you say - As if he and Chairman Gray conspired to help Adrian Fenty and his cronies. That is absurd! You are a true genius sherlock! Ivy League's finest I'm sure.
Do your homework and think before you speak please.

- **Satan** Oct. 29, 2009 5:33 am

I hope Fenty comes to hell with me!

- **DistrictIndependent** Oct. 29, 2009 7:23 am

This is a good piece of reporting. Councilmember Thomas is absolutely right - it was the PR machine, and undoubtedly the Fenty campaign "machine," whom are forcing these announcement to try to make their boss look good in th face of a faltering image and stagnant campaign. Sure, people love parks, but they generally dislike graft, cronyism, and greed. Even in DC. That's where the Mayor's political calculations go awry. And why the heck are we seeing Clark Ray's name pop up here again? Now transferring millions of dollars out of DPR? Not good.

- **Tired of the BS** Oct. 29, 2009 8:09 am

Suddenly, DPR has a new page on its website about how parks are a crucial component of development. And now DCHE has a website of its own (ok, so it's almost content-free at this point, but there are tabs for projects and RFPs).
Within a week a retroactive kind of transparency will have been achieved. At which point which communities and CMs are going to turn down their rec centers?
What's been missing from this story has been numbers -- e.g. net worth of the individuals/value of the businesses pre- and post-Fenty; cost per SF of the crony contracts compared, say, to similar MoCo projects. Taxpayers won't get sufficiently riled unless/until they have a sense of how much they're being ripped off.

- **candycane1** Oct. 29, 2009 8:17 am

Any info on the delegation that went to talk to Fenty?

- **Adrian Bent-Me** Oct. 29, 2009 9:37 am

Let me guess who volunteered to be on the delegation: Jackie Boy Evans, Muri Bowser, Grahamazoid, and if I was a betting man, Alexander. Gray can't stand his childish, arrogant ass. Kwame might want in for publicity sake. M. Brown would be interested for the same reasons, but Gray would have the upper hand.
This City is screwed. Cheh seems to be the only one with some balls these days but then again, she's just an "angry woman".

- **Anonymous, Too!** Oct. 29, 2009 1:24 pm

Good job, LL! Folks are correct. You need to keep digging.
The real" brains" behind this is Neil Albert (Fenty doesn't have the smarts to figure out a scam like this), who was running a non-profit along with Victor Reinoso when Fenty tapped him as DMPED (an oxymoron if there ever was one).
This is the same Neil Albert who couldn't run DPR back in the day and who turned out to own an investment condo (just like Jannerone in the Tenley deal) across the street from West End Library property he was attempting to give away to one of his developer cronies.
As SoCali writes below, you need to check out the Washington DC Econ. Partnership... this is all on the taxpayer dime folks!!!
http://www.wdcep.com/
From a comment on the WaPo site about the "New Jack Fenty" operation in DC:
SoCali wrote:
This is all part and parcel of a process that began when Neil Albert and Fenty turned the function of the Office of Planning and Economic Development completely over to the quasi - government, Doug Jemal controlled astroturf organization, the Washington DC Economic Partnership.
Now that Albert is City Administrator they are just expanding their model. Albert has been planning all this for years. Follow the money!
Boy, Vince Gray has certainly proved to be a doofus as Council Chair. He just bloviates on while missing everything on the upswing. 50 milion stolen outright, "oh, gee, golly, Gandhi is doing such a good job", ... "Taxi Cash" "AIDS grift" Graham's shake down operation caught redhanded, "oh, gee, golly, lets see what happens, oh, gee, golly 'Taxi Cash' suggested he step down as Chair of the Committee overseeeing the taxi industry so I took the bold leadership initiative to let him",!
Linda Cropp please phone home!
10/27/2009 12:35:45 PM
Recommended (2)

- **IWonderif anyoneknows** Oct. 29, 2009 1:58 pm

Will anyone ever investigate the Keith Lomax angle? His company has been recieving millions of dollars for no-bid contracts. Remember him, Fenty's driver?????

- **Nando** Oct. 29, 2009 4:08 pm

The Mayor is a good guy that's turning the city around and working very hard to bring businesses back to the city. He needs the power to make deals that would help the city recover. Some people always look for a crime we a person come along and to a good job. Enjoy your new city and the Mayor that's making it all happen. You could be on the West Cost broke, with gangs killing everybody, but you're not. Stop treating the Mayor so bad and let him get this work done.

- **Adrian Bent-Me** Oct. 29, 2009 4:18 pm

Nando, you're fucking retarded. What City are you living in? Gangs are figthing all over this City. I'm sacred to be in most parts of it. Our school system is failing. Corruption is rampant and blatant on all levels and departments in our local government. And this is just the stuff Fenty's responsible for.
Second, the things that you claim here about a revitalized City isn't his doing. All of the development that occurred didn't happen because of him but happened in spite of him. Mayor Williams got all of this rolling. Now Fenty's frat buddies are milking the City and idiots like you support him because he gives off the impression that he's working hard? Running marathons, cutting ribbons, kissing babies, doesn't mean he's actually doing the work of a mayor.

- **proballdc** Oct. 29, 2009 6:20 pm

Nando, I have yet to see an Adrian Fenty D.C. improvement that wasn't an Anthony Williams improvement first.
You need to latch onto reality and hold on tight. Otherwise, you will get caught up into a perpetual whirlwind of dumbdowndedness and be forever lost.

- **Wendy Glenn** Oct. 29, 2009 8:48 pm

When I read that there were contracts let in excess of $80 million dollars I was grief-stricken because I immediately thought of all of the areas that might have gone unchecked that could have assisted unemployed DC residents. I speak of Order 83-265, D.C. Law 5-93, and D.C. Law 14-24, which states that employers receiving these funds comply with the following:
1) The employer will use the DC Department of Employment Services as its "first source" for the recruitment, referral and placement of employees.
2) A First Source Employment Agreement and the Employment Plan are a part of the contractual documents with the District of Columbia Government, this Employment Plan will indicate the number of new jobs projected, salary range, hiring dates, and union requirements.
3) The employer will be required to hire 51% District residents for all new jobs created.
4) The employer shall register an Apprenticeship Program with the D.C. Apprenticeship Council for construction or renovation contracts or subcontracts totaling $500,000 or more.
5) Willful breach of the First Source Employment Agreement by the employer, or failure to submit the Contract Compliance Report, or deliberate submission of falsified data, may be enforced by the Contracting Officer through imposition of penalties, including monetary fines of 5% of the total amount of the direct and indirect labor costs of the contract.
I would like to ask councilmembers if they can get these questions answered for me and my fellow District residents who now find themselves unemployed and uninformed about opportunities such as those outlined in these contracts.
If there are opportunities for employment through these multi-million dollar contracts, then District residents should be allowed access to these opportunities through a transparency in government reporting.
It is sad to say but many of the residents of the District of Columbia feel that DC has become the Employment Services Agent for Maryland and Virginia residents who don't seem to find the same barriers to employment within this city as the residents of the District of Columbia. What a sad state of affairs, when MD and VA residents can joke about not knowing or caring to know anything about the DC City Council, judicial branch, etc., and only being concerned about their salary check hitting their bank accounts regularly, when DC residents are struggling to keep food on the table and a roof over their families heads.
I am hopeful that the Council will be able to find out if opportunities for employment were granted District residents as mandated by the law and if these contractors followed the law to the letter and if not will there be monetary fines incurred as stipulated in the law.

- **dc1967** Oct. 30, 2009 9:13 am

Nando..its obvious you have a hard on for the Fenty.... Maybe you can become his personal fluffer and he'll steer some contracts your way! Hey maybe you could become the official fluffer for his re-election campaign next year???????

- **Cassandra Toone** Oct. 30, 2009 10:16 am

Fenty has always suffered from a "God Complex"!!! Have you ever noticed that he can't look you in the eyes whenever he deigns to speak to you.

I agree with a previous commentor, Fenty should definitely be investigated by Congress and the F.B.I. immediately. He is NOT above the Law despite what he thinks.

- **Johnson** Oct. 30, 2009 10:46 am

We were all warned but no one wanted to listen:
http://www.dumpskinner.com

- **SATAN** Oct. 30, 2009 3:13 pm

Nando, please stop smoking "CRACK". You are riding Fenty's dick pretty hard. Are you Sinclair Skinner on the low writing this?
Fenty is corrupt and his ass should go go jail. Where is his wife Michelle? She has been invisible duing his term as mayor.
There's rumor's going around in Ward 4, Fenty is alleged to have beat his wife and Police Chief Cathy L. Lanier covered it up when she was the Fourth District's Commander. If King Fenty is involved in domestic violence and his wife has remained silent. Fenty should go to jail for domestic abuse and his wife should see a Psychiatrist.

- **Bobby** Oct. 30, 2009 5:10 pm

Of course someone got paid off regarding the stephens school deal. The neighborhood supported Peebles, Jack Evans supported Peebles, the selection committee supported Peebles, and Peebles has a net worth of $350 million, and guess what? The city picked the last place team that NO ONE wanted...

- **Satan** Oct. 30, 2009 5:47 pm

Not only is Fenty corrupt. He is very ugly and he look's like a turtle. I thought Kappa men were suppose to be cute and light skin? Fenty is light skin, but he's not cute. LOL

- **Satan** Oct. 30, 2009 9:07 pm

Fenty is a bottom and most Kappa men are bottoms.

- **DCSchoolMarm** Oct. 31, 2009 5:55 am

Not understanding why a picture of Skinner is used and not Omar Karim

- **Five to Go** Oct. 31, 2009 12:44 pm

I have to agree that Adrian Fenty is indeed UGLY, his wife does get her ASS Beat, and his Frat Brothers are all Corrupt, and Michelle Rhee is not qualified to run the public schools. Please keep up your good work LL.

- **sickofdc** Nov. 02, 2009 8:27 pm

Carlos Gray, the son of Vincent Gray is the constrction manager at DC Housing Authority dealing with these contracts. Vincent Gray says he doesnt know anything about these transactions...doesnt he share dessert with his son once a week? Bullshit he doesn't know!
Council is a corrupted animal. Thomas has failed overseeing DPR, he is a corrupted idiot, full of anger against Fenty and Gray is a coward trying to save every card to his election sprint. Fenty a 1000 times before Thomas or Gray.

- **sincity** Nov. 02, 2009 8:35 pm

at the ROsedale grounbreaking Harry THomas did a long speech thanking David Janaronne from DMPED and DC Housing Authority. He was all buddy buddy with Carlos Gray and other DC Housing folks. Harry Thomas was hitting on one of my friends, he said "You dont know who I am?". He looked like a loser to me.

- **Ace of DC** Nov. 03, 2009 8:41 pm

So what if he hooks up an acquaintance/friend/frat brother/lover/whatever with contracts ... keep improving DC Mayor Fenty!!! Why would he want to go through the council to get things approved when a racist/criminal/dellusional/idiot like Marion Barry can stand in the way. Fenty = Progress (although not perfect). Council = Prostitutes/Gangs/Guns/Drugs Forever. Go Fenty!

- **To the phoney Fenty Bashers** Nov. 04, 2009 6:53 am

You bashers are ridiculous!
Let me count and resond to the ridiculous accusations that you levy.
1) Fenty gives away business to frat brothers. BS! BS! If you actually ask one, they will tell you that he has a horrible record of helping freinds get business. Many contributers are pissed with him because he won't intervene and help. Skinner ran for city council. He was an activist. He knows how to get around on his own. He doesn't need Fenty to step in for him. Just like many Williams people got around on their own. If Skinner didn't, the council wouldn't hate him so much.

You do realize that they have sworn to shut down anything Skinner does. Is that the job of the legislature? To demonize a private citizen? To say, he can't do any work here. Why? I will tell you. Because that is what phoney ass politicians do.
They sell boogie men. "Skinner is going to rape your babies. Don't vote for Adrian."
2)He beats his wife. Ok. That just shows that you have no objectivity when you resort to tabloid tactics. Maybe he does have marraige problems. Maybe he does have personal short-comings. Neither you nir I know. Not can we research it. So, let's assume you are right.
I guess we should just let our kids continue to progress towards functional illiteracy because he got into a tussle with his wife.
3) He sells out to rich white people. Oh, really? Then why are you complaining so hard about his Fraternity brothers getting work.
Kappa Alpha Psi is a majority black fraternity. It is the city council that crys foul when Blacks get contracts. You did hear the song and dance Kwame Brown tried to perform. "Fenty doesn't care about Black people. He hates them so much that he wants to build 90 million dollars worth of parks for their kids to play in. And he wants to give all the program management work to Blacks. He is tearing down the educational system that has created generations of under-educated, under-prepared, and professionally disfunctional students, many of which are filling up our finest prisons. How dare he!"
Can you spell: POVERTY PIMPS. That is Gray, Thomas, Brown, and definately Barry. If Blacks get educated...they lose their constituency.
3) He is ugly. Ok. And...
4) He wants to by-pass the council. Ok. Listen to that idiot Thomas who now wants to review every contract over $75K. I am sure that will help governement run smoothly. "I was insulted that the Mayor wanted to avoid talking to me throughout our 5 months to order a new swing set,"
I would too Tommy!

- **To the phoney Fenty Bashers** Nov. 04, 2009 6:58 am

You bashers are ridiculous!
Let me count and respond to the ridiculous accusations that you levy.
1) Fenty gives away business to frat brothers. BS! BS! If you actually ask one, they will tell you that he has a horrible record of helping freinds get business. Many contributers are pissed with him because he won't intervene and help. Skinner ran for city council. He was an activist. He knows how to get around on his own. He doesn't need Fenty to step in for him. Just like many Williams people got around on their own. If Skinner didn't, the council wouldn't hate him so much.
You do realize that they have sworn to shut down anything Skinner does. Is that the job of the legislature? To demonize a private citizen? To say, he can't do any work here. Why? I will tell you. Because that is what phoney ass politicians do.
They sell boogie men. "Skinner is going to rape your babies. Don't vote for Adrian."
2)He beats his wife. Ok. That just shows that you have no objectivity when you resort to tabloid tactics. Maybe he does have marraige problems. Maybe he does have personal short-comings. Neither you nor I know. Nor can we research it. So, let's assume you are right.
I guess we should just let our kids continue to progress towards functional illiteracy and the parks should continue to be drug markets because he got into a tussle with his wife.
3) He sells out to rich white people. Oh, really? Then why are you complaining so hard about his Fraternity brothers getting work.
Kappa Alpha Psi is a majority black fraternity. It is the city council that crys foul when Blacks get contracts. You did hear the song and dance Kwame Brown tried to perform. "Fenty doesn't care about Black people. He hates them so much that he wants to build 90 million dollars worth of parks for their kids to play in. And he wants to give all the program management work to Blacks. He is tearing down the educational system that has created generations of under-educated, under-prepared, and professionally disfunctional students, many of which are filling up our finest prisons. How dare he!"
Can you spell: POVERTY PIMPS. That is Gray, Thomas, Brown, and definately Barry. If Blacks get educated...they lose their constituency.
3) He is ugly. Ok. And...
4) He wants to by-pass the council. Ok. Listen to that idiot Thomas who now wants to review every contract over $75K. I am sure that will help governement run smoothly. "I was insulted that the Mayor wanted to avoid talking to me throughout our 5 month procurement process to buy ten swingsets."
I would too Tommy!

- **Satan** Nov. 04, 2009 1:04 pm

I see we have a Fenty ass kisser. LOL Oops, it's really Fenty writing these BS to defend his dictatorship style of government. Go to hell King Fenty! As Valencia Mohommad stated on News Talk 8 on yesterday, your half white ass will not get re-elected? The black D.C. voters has lost respect for you King Fenty. Let the white gay liberals in D.C. continue to kiss your ass and vote for you. You see in the eyes of liberal whites in D.C., King Fenty can do no wrong. In the end, Fenty will kick their asses to the curb.

- **First Wednesday** Nov. 04, 2009 3:39 pm

Here it is officially 364-days away from the election of the new mayor and the contenders and potential contenders are??? Potentially all black candidates that will need the embrace of some whites to make a successful bid....now who do they suck up too!!!
As to the poster who said King Fenty...I hardly think NOT... If anyone views the title of mayor as royalty...then I would think it would be Kwame Brown. He has twist the rhetoric of keeping the eyes on the prize as inferring the prize being the kingdom.

I know that Fenty is a proud member of one of the black fraternities/sororities...are there any others on the council who are black in the "Divine 9"... I know that phrase has just blew some of the white readers out of their seats.
Please don't shut-down the google web-site trying to look up "Divine 9."

- **Thomasout** Nov. 04, 2009 5:49 pm

Harry Thomas is the most disgusting dude in the F-world. The guys doesn't brush his crooked teeth even when he grandstands during hearings. He is a major joke!
I am sick of these morons, if they think they are winning people over by fighting Fenty with these damn tactics they are wrong. I take Fenty's arrogant any day of the week instead having to deal with these losers.

- **not funny** Nov. 04, 2009 5:58 pm

Thomas gotta go. Reviewing everything over $75,000...? if he stops Rosedale construction is going to be hell for him!

- **Satan** Nov. 05, 2009 3:39 am

First Wednesday, Kwame Brown is a member of Kappa Alpha Psi, Inc.; Michael Brown is a member of Kappa Alpha Psi, Inc.; Marion Barry is a member of Alpha Phi Alpha, Inc.; and Harry Thomas is a member of Omega Psi Phi, Inc.
All are member of Negro Greek fraternities.

Add a Comment (Link will open a popup window)

Oct. 29 - Nov. 3, 2009 (Vol. 29, #44)

Joshua A. Adler
MANAGING PARTNER

LAKRITZ ADLER
REAL ESTATE INVESTMENTS

4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809
www.lakritzadler.com

From: Randy Alan Weiss <rweiss@weissllp.com>
Sent: Friday, December 11, 2009 2:22 PM
To: 'Robb LaKritz' <robb@lakritzadler.com>; AdlerJosh <Josh@lakritzadler.com>
Subject: FW: LL Daily: Omar Karim Speaks

Are you guys on Loose Lips email list?

From: Loose Lips [mailto:lips@washingtoncitypaper.com]
Sent: Friday, December 11, 2009 10:38 AM
To: rweiss@weissllp.com
Subject: LL Daily: Omar Karim Speaks

As much local politics as humanly possible. Send your tips, releases, stories, events, etc. to lips@washingtoncitypaper.com. And get LL Daily sent straight to your inbox every morning!

IN CASE YOU MISSED IT—'Jeff Smith Officially Exploring Ward 1 Bid'; 'Cathy Lanier: Hogtying Detainees Prevented Mass Fornication'; tweets galore!

Morning all. **Omar Karim**, principal of Banneker Ventures and the man at the center of the ongoing parks contracting controversy, appeared before councilmembers yesterday, flanked by attorney **A. Scott Bolden**. He was sometimes righteous, sometimes conciliatory, and mostly nervous. LL tweeted much of the proceedings; **Nikita Stewart** writes in WaPo that Karim 'denied pulling strings to win a multimillion-dollar construction contract this year, but...acknowledged ties to city employees involved in the procurement process.' Karim invariabl y described his relationships to city officials as purely 'professional'—including Mayor **Adrian M. Fenty**. Of course, he later said, 'I generally don't have business conversations with the mayor.' Some other key moments: CM **Mary Cheh** flustered Karim early on by asking about his law firm, Liberty Law Group; he later said had nothing at all to do with man of mystery **Sinclair Skinner**'s Liberty Engineering, which has gotten a hefty chunk of the parks subcontracting. Then Cheh read a March e-mail when mayoral official **David Jannarone** wrote to Karim, saying, 'Come on, dude, we talked about this.' And Bolden told CMs that Skinner, his client, would not be available without a subpoena. So where is all this going? Today, AG **Peter Nickles** informed councilmembers this morning that the mayor will be submitting emergency legislation that would retroactively approve all the parks contracts and allow wor k to move forward. There are surely not nine votes to pass that measure on Tuesday.

BELOW—*Graham says big management shakeup coming to WMATA; spending bill passes house without riders; Giro d'Italia plans coalesce; apparently private schoolkids have to carry a note when they have a day off and public schoolkids don't; Segraves show debuts tomorrow; Gregory McCarthy set to do Antarctic marathon*

Before Senate panel, **Jim Graham** promises 'very substantial management changes' at Metro, and fast. 'We're going to change Metro, and it's going to happen very rapidly,' he said, **Lena Sun** and **Joe Stephens** report in WaPo. Those comments came after Sen. **Barbara Mikulski** (D-Md.) 'testified that Metro has been paying "lip service" to lapses in safety oversight and accountability. She said she was "really hot about this" and called on the Metro board to take "appropriate and immediate action."..."They need a more vigorous and aggressive form of management at Metro," said Mikulski, stabbing a finger in the air during testimony before a Senate transportation subcommittee.' C hanges could be announced as early as today, and Graham said 'that General Manager **John B. Catoe Jr.** was finalizing details, suggesting that the transit chief might survive the shake-up.' Also Examiner; **Kytja Weir** also covers Hill leaders' reaction to the White House transit oversight plan.

The D.C. spending bill has passed the House of Representatives sans controversial riders. **Ian Urbina** covers in

NYT: 'Congress took an important step toward granting the nation's capital more control over its own affairs Thursday as the House voted to remove a measure that bars the city from using local tax money to help low-income women pay for abortions.' Senate approval is expected next week.

In **Vincent Gray**'s threat to order payments stopped on option-year contracts lest they come to the council for review, **Michael Neibauer** in Examiner sees 'a game of political chicken, with services like traffic ticket processing, trash hauling and meals for low-income children at stake.' From Gray's letter to Nickles announcing the ultimatum: 'I think you know I am a person who prefers collaboration over conflict. But as you also know, as a former six-year member of the Council, we have an important oversight function to perform and the failure to be provided with contracts and other documents impairs our ability to discharge that role.' Says Nickles: 'In my view, the deals are valid....But keep in mind I don't want the District to come toppling down.'

NYT covers meeting yesterday between Fenty and Giro d'Italia officials. Says race director **Angelo Zomegnan**: 'We can't say it will 100 percent start here, but we think that it is very, very possible and we're moving forward to work togethe....There are a lot of things that must happen in the next few weeks before we can say it's 100 percent. But I think it looks good.' And lawyer/mayoral buddy **Mark Sommers**, who is leading the chase for the Giro, says 'the two parties came to a tentative agreement to start the Giro here. "The large conceptual ideas have been agreed upon," Sommers said, adding that both the prologue and the first stage would be held entirely inside the confines of the district.' Said Fenty, who worked in a lunch time bike ride yesterday: 'I believe it would be one of the most fabulous events ever to happen in Washington, D.C., from an athletic discipline standpoint.' Also VeloNation.

Best LL wishes to **Gregory McCarthy**, the former top Williams administration official now a Washington Nationals executive. He's planning to run the Antarctic Ice Marathon over the weekend, **David Montgomery** reports on WaPo A1. 'The average temperature of the inland Antarctic race course is about 5 degrees Fahrenheit. The snow and ice are hundreds of feet deep. There is no life, except for the human visitors. A cold, constant and potentially deadly wind blows from the South Pole, hundreds of miles farther south....McCarthy's reason is sort of existential...."I've been running out of things I could ever be the first to do," he says.' But will he be the first from D.C. to run marathons on seven continents ? Probably, but no one's quite sure. He trains with Hizzoner on occasion, and 'the interlocking local running and political communities will be logging onto the ice marathon's Web site to follow McCarthy's progress,' Montgomery writes. '"When he told me he was going to run in Antarctica, I thought it was a little crazy," said D.C. Council member **Jack Evans**...."He's found a different way to push himself," said Mayor Fenty.'

The Slow Cook covers legislation introduced by Gray and **Mary Cheh** that would introduce the following to DCPS: 'Sustainably grown local produce. School gardens. Stricter nutrition standards. Free breakfast. Elimination of sodas, many junk foods and trans-fats. Mandatory physical education. Composting....[I]t places heavy emphasis on schools making meals "whenever possible" with local products grown without artificial fertilizers, pesticides or non-therapeutic antibiotics or growth hormones. It also would phase out styrofoam and plastic meal trays and eating utensils in favor or biodegradable alternatives. It bans from schools all sports drinks, sodas, iced teas and "juices" with minimal actual fruit, except wh en provided free by parents or sold at sporting and other extra-curricular events. More stringent nutrition standards would be phased in over a four-year period.'

WaPo's **Bill Turque** gives an account of **Michelle Rhee**'s first office-hours session, at Smothers ES: 'About two-dozen parents and other stakeholders signed up and took a number to wait for a one-on-one with the schools leader. Flanked by a member of her "critical response team" and spokeswoman **Jennifer Calloway**—using a watch to track the five-minute time limit that was honored more in the breach—Rhee alternated among three tables to listen to the concerns.'

Harry Jaffe asks: 'If D.C. builds great schools, will white kids come?' Prompted by the Hardy MS debate, Jaffe writes that white parents like himself 'are pleased to send our kids to the neighborhood elementary schools in upper Northwest or Capitol Hill. But middle school is problematic. Students from all over the city—read: black

kids—come to Alice Deal and other middle schools. Same for Wilson Senior High. Many white parents choose to send their precious offspring to private schools or move to Maryland for a better public school system. Now that school modernization czar **Allen Lew** is fixing our buildings and Rhee is starting to see results from her education reforms, will white parents begin to send Suzie and Johnny to public schools? Beats forking over $30,000 a year for privates.' Says Rhee: 'African Americans will get increasingly nervous. They see it as a zero-sum game: more whites in good schools, fewer blacks....It will be a tough slog.'

FROM LANSING, MICH.—**Robert Bobb** tells Michigan state legislators that he wants to run the Detroit Public Schools—not just manage their budget. His reality-check rhetoric is right out of the Fenty/Rhee playbook: 'You have no greater example of how a school district can fail than that of the Detroit Board of Education.'

The D.C. Court of Appeals has spoken: Disassembling and removing a boot from your car indeed 'destroys' and 'injures' it, leaving you open to malicious destruction charges, Legal Times reports. '"The disassembly of the 'boot' was undoubtedly a significant detriment to that device's use in traffic and parking law enforcement," [Senior Judge **James Belson**] wrote in the Dec. 10 decision. By analogy, the judge noted that a broken human arm is temporary but still affects the "purpose of its ordinary or intended use."'

Could the Watergate Hotel end up back in Monument Realty's hands? DCmud notices that Monument's looking to hire a contractor to refurbish the property, 'suggesting the DC developer may be closer to a work-out on the property it lost to the bank earlier this year.' Also WBJ.

Report projects that D.C.'s office vacancy rate will match that of Northern Virginia by the third quarter of 2011—that would be the 'first time in more than a decade' that that's happened, WBJ reports. The good news: 'Rising vacancies in D.C. mean lower rents for tenants on the move. So companies that could normally afford space only in the suburbs will be able to take advantage of lower District prices, upgrading to space closer to the center of the city.'

ALSO IN WBJ—**Joe Robert**'s investment company nears bankruptcy; mixed-use project slated for Atlantic Plumbing site near Howard headed for foreclosure; and the litigation between **Herb Miller** and **Anthony Lanier** over Georgetown Park Mall drags on.

WRC-TV's **Tom Sherwood** covers slumlord crackdown, which 'has resulted in 5,000 housing code violations. The city is not waiting for tenant complaints, but inspecting buildings throughout the District. "And over the next 3 years, we're going to inspect every facility in this town," said Nickles, who at one point became so worked up he cursed....He said the landlords now think, "Well goddamnit maybe we better fix the housing; maybe we ought to avoid going to jail. Maybe we ought to do right by the tenants."'

Did you know that it's 'police policy...that private school students who are out of school on a day that public schools are in session must carry a letter from the school' lest they get picked up by truancy officers? Well, it's true, and **Mark Segraves** reports at WTOP that your kids might get picked up in a van without enough seatbelts, as allegedly happened to kids last month at St. Peter's school on the Hill.

ALSO—Segraves' new show on WDCW-TV debuts this weekend—and it has a name: 'News Plus With Mark Segraves.' DCist has a promo clip; watch Saturday at 5 p.m. or Sunday at 10 a.m.

More on Remote Area Medical Corps: WUSA-TV's **Bruce Johnson** says it looks like the free-medical-care outfit will get a break on venue fees, but DOH is still insisting—gasp!—that they provide more information about their services. Unity's **Vincent Keane** 'says it's critical to get people plugged into long term care—and not just a one day trip to a doc from out of town.' And **David Catania** says, 'It's not our intention to artificially place barriers....But we do take safety very seriously in this city, as we should.'

WaPo's **Ashley Halsey** covers the New York Avene NE signal-timing debacle: 'An average walking pace is

about 3.3 miles per hour (3 mph for women, 3.5 mph for men). At that speed, it would take 29.7 seconds to get across New York Avenue. In setting the timer for the new pedestrian crosswalk signal, District traffic engineers allowed for that. Then, traffic trying to escape town during Wednesday's evening rush backed up from the intersection to Florida Avenue, 1.8 miles. Incoming drivers fumed through a repeat Thursday morning...."We're going to have to look to see if there's some other solution," said **Karyn LeBlanc**, a DDOT spokeswoman. "That's a very long light, and we can't strand [pedestrians] on the medians."'

The city's legal aid organizations are in dire funding straits, report finds. WBJ reports that the study 'found that sources of funding for legal aid programs have sharply fallen, including a 60-percent drop in Interest on Lawyers Trust Accounts grants the D.C. Bar Foundation awarded in June 2009. There has also been a 20-percent fall in D.C. government support for legal services, effective May 2010, and a more than $1 million drop in charitable donations and volunteer services.'

Fenty will meet with the protesters arrested outside the mayoral bullpen on World AIDS Day, **Lou Chibbaro Jr.** reports at D.C. Agenda. Also in this week's Agenda: Chibbaro covers the arrest of a trangender woman for the **Julia Corker** carjacking; Monday night's pro-gay-marriage rally at Kennedy Rec Center.

D.C. Jail will use RFID technology to track inmates, corrections officers, Council of State Governments reports. 'If a corrections officer in a Washington, D.C., jail falls down on the job or his security is compromised, special radio frequency identification chips send out the alert — "man down!" Using the same computer-chip technology, every inmate will wear a wristband so officials will know in real time where the inmate is.'

Phil Mendelson holding meeting on crime in Shaw/Mount Vernon Square area on Monday. **Cary Silverman** says: 'This is a good opportunity to ask Councilmember Mendelson, who chairs the Committee on Public Safety and Judiciary, about his positions on various anti-gang/crime initiatives, such as civil gang injunctions, pre-trial detention, and anti-loitering laws.'

Kwame Brown talks Costco with WTTG-TV.

Marion Barry reportedly traveling to Shorter, Ala., for World Conference of Mayors anniversary.

GGW covers planning for Mount Vernon Square area.

Angela Alexander, wife of mayoral candidate **Leo Alexander**, is helping to oversee Walter Reed as a naval officer, Afro reports.

WRC-TV, WTTG-TV covers medical marijuana; Graham says city officials' reaction is 'hard to predict.'

Metrobus collides with pickup at 15th and I Streets NW yesterday afternoon.

Mini-Target in Georgetown this weekend.

Blogger: 'I think I just solved Michelle Rhee's PR problems. OK, not me so much as two researchers from California whose study argues that blaming other people is contagious.'

News flash: We've got a lot of traffic.

D.C. COUNCIL TODAY—12 p.m.: Committee on Public Safety and the Judiciary hearing on PR18-506 ('District of Columbia Homeland Security Commission Cathy Lanier Confirmation Resolution of 2009') and PR18-507 ('District of Columbia Homeland Security Commission Dennis Rubin Confirmation Resolution of 2009'), JAWB 412; 2 p.m.: Committee on Health roundtable on 'The Performance of HIV/AIDS, Hepatitis, STD, and Tuberculosis Administration,' JAWB 123; 3 p.m.: Committee on Aging and Committee Affairs meeting on B18-177 ('51st State Commission Establishment of 2009'), B18-324 ('ANC Vacancy Amendment

Act of 2009'), PR18-543 ('Commission on Aging Eugene Coffey Confirmation Resolution of 2009'), JAWB 120.

ADRIAN FENTY TODAY—No public events scheduled.

You can view the original post here.

This message was sent from Loose Lips to rweiss@weissllp.com. It was sent from: Washington City Paper, 2390 Champlain Street, NW, Washington, DC 20009. You can modify/update your subscription via the link below.

Email Marketing by iContact - Try It Free!

Manage your subscription

From: Josh Adler <josh@lakritzadler.com>
Sent: Monday, January 11, 2010 5:34 PM
To: 'Robb LaKritz' <robb@lakritzadler.com>
Subject: RE: Englert

Great. I left a message for Geoff Dawson at Bedrock Cos (met him a few times before), also re-pitched Moderno, since we last talked 18 months ago (you should pitch Moderno to all these guys too!) Also mentioned it, obliquely to Rob Wilder, ya never know.

Somebody's friend owns Churchkey – I think a friend of Shannan's or was it a friend of yours?

In other matters, I spoke to Rosalyn Doggett at Metro. She says the possible renewal of the Florida Ave deal with Banneker is entirely in the hands of the Board now, and will be taken up at the Board meeting this Thursday. She doesn't know much else about it, except that she was happy and interested (and somewhat surprised) to hear that we are still interested in the sites, though she is personally of the opinion that Metro should sit on the sites for a while until the market gets better.

From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Monday, January 11, 2010 5:24 PM
To: 'Josh Adler'
Subject: Englert

Talked with him at length. He's not interested but he gave me the names of several new people who might, including the Churchkey guys, owner of Proof, owner of Fly and owner of Bourbon (G'Town).

Robb M. LaKritz
MANAGING PARTNER

LAKRITZ ADLER
REAL ESTATE INVESTMENTS

4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809
www.lakritzadler.com

From: Josh Adler <josh@lakritzadler.com>
Sent: Friday, January 15, 2010 1:03 PM
To: 'Robb LaKritz' <robb@lakritzadler.com>
Subject: WMATA Hearing

I just listened to the WMATA hearing from yesterday. The Real Estate Executive Committee hearing is not posted, but the main hearing of RE Comm is. It is very short. They unanimously voted to extend the Banneker term sheet negotiations until March 31, 2010. Jim Graham said in the RE Comm hearing that he was "under the weather" and was therefore unable to attend the executive committee hearing where the decision was made to recommend the extension.

Joshua A. Adler
MANAGING PARTNER

LAKRITZ ADLER
REAL ESTATE INVESTMENTS

4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809
www.lakritzadler.com

From: Ruby Receptionists - Kayla <Kayla@callruby.com>
Sent: Saturday, March 20, 2010 6:43 PM
To: josh@lakritzadler.com
Subject: Omar Karim - Ruby Receptionists Message:

From: Omar Karim
Actions: Sent to Voice Mail :
To: Adler, Josh - 5402 Lakritz - Adler 5402
Date: 3/20/2010 3:41:36 PM

Ruby Receptionists
1-866-611-7829
staff@callruby.com
www.callruby.com

The Ruby iPhone app is here! It's free in the App Store under Ruby Receptionists. Your Member Services username and password get you logged in!

From: josh@lakritzadler.com
Sent: Saturday, March 20, 2010 7:25 PM
To: Robb Lakritz <robb@lakritzadler.com>
Subject: Fw: Omar Karim - Ruby Receptionists Message:

What could this be about?

Sent on the Sprint® Now Network from my BlackBerry®

From: "Ruby Receptionists - Kayla" <Kayla@callruby.com>
Date: Sat, 20 Mar 2010 15:43:07 -0700
To: <josh@lakritzadler.com>
Subject: Omar Karim - Ruby Receptionists Message:

From: Omar Karim
Actions: Sent to Voice Mail :
To: Adler, Josh - 5402 Lakritz - Adler 5402
Date: 3/20/2010 3:41:36 PM

Ruby Receptionists
1-866-611-7829
staff@callruby.com
www.callruby.com

The Ruby iPhone app is here! It's free in the App Store under Ruby Receptionists. Your Member Services username and password get you logged in!

From: robb@lakritzadler.com
Sent: Saturday, March 20, 2010 8:29 PM
To: Mr. Josh Adler <josh@lakritzadler.com>
Subject: Re: Omar Karim - Ruby Receptionists Message:

Hmm....

Sent via BlackBerry by AT&T

From: josh@lakritzadler.com
Date: Sat, 20 Mar 2010 23:24:30 +0000
To: Robb Lakritz<robb@lakritzadler.com>
Subject: Fw: Omar Karim - Ruby Receptionists Message:

What could this be about?

Sent on the Sprint□ Now Network from my BlackBerry□

From: "Ruby Receptionists - Kayla" <Kayla@callruby.com>
Date: Sat, 20 Mar 2010 15:43:07 -0700
To: <josh@lakritzadler.com>
Subject: Omar Karim - Ruby Receptionists Message:

From:	Omar Karim
Actions:	Sent to Voice Mail :
To:	Adler, Josh - 5402 Lakritz - Adler 5402
Date:	3/20/2010 3:41:36 PM

Ruby Receptionists
1-866-611-7829
staff@callruby.com
www.callruby.com

The Ruby iPhone app is here! It⊕s free in the App Store under Ruby Receptionists. Your Member Services username and password get you logged in!

From: robb@lakritzadler.com
Sent: Saturday, March 20, 2010 8:33 PM
To: Mr. Josh Adler <josh@lakritzadler.com>
Subject: Re: Omar Karim - Ruby Receptionists Message:

Left a VM on my cell phone at 6:12 p.m.

Sent via BlackBerry by AT&T

From: josh@lakritzadler.com
Date: Sat, 20 Mar 2010 23:24:30 +0000
To: Robb Lakritz<robb@lakritzadler.com>
Subject: Fw: Omar Karim - Ruby Receptionists Message:

What could this be about?

Sent on the Sprint□ Now Network from my BlackBerry□

From: "Ruby Receptionists - Kayla" <Kayla@callruby.com>
Date: Sat, 20 Mar 2010 15:43:07 -0700
To: <josh@lakritzadler.com>
Subject: Omar Karim - Ruby Receptionists Message:

From: Omar Karim
Actions: Sent to Voice Mail :
To: Adler, Josh - 5402 Lakritz - Adler 5402
Date: 3/20/2010 3:41:36 PM

Ruby Receptionists
1-866-611-7829
staff@callruby.com
www.callruby.com

The Ruby iPhone app is here! It⊕s free in the App Store under Ruby Receptionists. Your Member Services username and password get you logged in!

From: Loose Lips <lips@washingtoncitypaper.com>
Sent: Monday, March 22, 2010 10:08 AM
To: josh@lakritzadler.com
Subject: LL Daily: It's Sweep Season

As much local politics as humanly possible. Send your tips, releases, stories, events, etc. to lips@washingtoncitypaper.com. And get LL Daily sent straight to your inbox every morning!

IN CASE YOU MISSED IT—'Omar Karim Gets Heated on Kojo'; and tweets galore!

Morning all. Today is a red-letter day in the District of Columbia. Because Mayor **Adrian M. Fenty** might finally get a legit opponent? Perhaps, but that's not what LL had in mind. Rather: Street cleaning is back! Yes, you'll again have to worry about moving your car lest you incur $30-a-pop parking tickets. But a welcome development, with months of snow-deposited grime coating city thoroughfares. Fenty kicks off sweep season with a press event in River Terrace this morning.

BELOW—*Colby grades the DCision 2010 incumbents; Rhee hires White House vet for communications advice; promised schools are delayed; Cheh throws cold water on Fenty jobs plan; WaPo outlines WMATA board overhaul; NOM push-polls for Leo Alexander*

Colby King, in Saturday WaPo column, has some fun with DCision 2010, sharing his thoughts on the incumbents, starting with Hizzoner: 'Despite having built a credible record on which to run, the mayor has a higher hurdle to clear: likability. Fenty's not the candidate I shadowed in races for a Ward 4 council seat and the mayor's office. On those occasions, small armies of enthusiastic young people, believing in him, worked their tails off. Seniors made over him as if he were a grandson. That Adrian Fenty liked people, listening closely to their concerns. People walked away from him feeling he would think about them when they were gone. Not now. The bond of affection is just not there....Governance isn't just about implementing best practices. Attentiveness and feelings matter, too. Gray knows that. It's a lesson Fenty needs to relearn.' Moving on to **Phil Mendelson**: Empathetic, but 'routinely stiff-armed like a rookie by Fenty and [**Peter Nickles**]' and 'given to whining.' **David Catania** 'rivals Gray as the council's best legislator.' **Jim Graham** is devoted to 'relentless pursuit of whatever is immediately advantageous.' **Mary Cheh** 'lays claim to the law and aggressively protects her constituents' interests.' **Harry Thomas Jr.** 'must work up to father's reputation for faithfulness to values and customs.' And **Tommy Wells** 'takes the prize for decency and good intentions. He wields authority, however, with a light hand.'

Michelle Rhee has hired former White House communications director **Anita Dunn** 'to more effectively handle the heavy load of local and national news media attention that Rhee attracts and to help roll out major stories to greater strategic advantage,' **Bill Turque** reports in WaPo. 'Dunn is expected, however, to assist with an announcement of the long-awaited labor contract between the District and the Washington Teachers' Union, which could be finalized in the next few weeks. "We hope to get her wisdom and advice on how to handle things. She has incredible experience," said **Marrianne McMullen**, chief of staff to **Peggy O'Brien**, Rhee's head of family and public engagement. McMullen added that Dunn's contract would be paid for with private donations.' The big picture: 'Supporters and critics of the chancellor have said that she would benefit from more sophisticated communications advice. Although Rhee has attracted wide attention for her school reform efforts, she has drawn almost as much notoriety for statements and gestures considered politically maladroit and damaging.' **Gary Imhoff** reacts: 'A public relations consultant who advises all-out war against critical media outlets and who says that **Mao Tse-tung** is one of her two favorite political philosophers — that sounds like a perfect match for Rhee, but it doesn't sound like someone who will do her any good.'

Also from Turque: Several schools promised overhauls won't be getting them immediately, Rhee says, due to the city's darkened fiscal outlook. 'Rhee and [Fenty] roiled neighborhoods across the city when they announced the closure of 23 schools that were either underenrolled or in poor physical condition. In at least three cases,

they softened the impact of the deeply unpopular decisions by promising to modernize or rebuild the schools while students were relocated. Since fall 2008, students at Bruce-Monroe Elementary (Ward 1) have attended Park View Elementary; children from Brookland Elementary (Ward 5) are enrolled at Bunker Hill; and Turner Elementary students (Ward 8) have gone to Green Elementary. Parents in each community were told that new or vastly modernized buildings would be ready within two to three years. But the school system's $200 million-a-year capital program...faces a budget squeeze as tax revenue declines and deficits mount. "Our biggest issue is money," Rhee said. "We don't have as much of it as we did before." Asked whether, in retrospect, she overpromised school communities, she said: "I promised based on what [the financial situation] looked like at the time. I didn't expect the capital budget to take a hammering."' WaPo colleague **Valerie Strauss** calls the reversal 'inexcusable.'

MORE—'Officials acknowledge that the ambitious modernization effort led by school construction czar **Allen Y. Lew** has been more expensive than anticipated, costing about $1 billion. Extra work added to two major modernization projects—including more classrooms at Alice Deal Middle School (Ward 3) and acoustical upgrades to walls and ceilings at the 118-year-old School Without Walls High School (Ward 2)—sent costs $30 million over projections....The construction budget was also stretched by what a senior District official called "unplanned directives" from Fenty's office. They included new playgrounds and athletic fields for two Ward 3 elementary schools, Eaton and Murch, costing a combined $2.7 million. And Wheatley is receiving an $8 million recreation center that was not in Lew's original spending plans.'

Cheh challenges Fenty weatherization jobs program, telling WaPo's **Darryl Fears** that money specified for the project simply isn't there: 'The fund has about $7 million "that couldn't possibly be devoted only to weatherization projects because there's a whole variety of projects to which the money is dedicated, under the law." Cheh (D-Ward 3) said city hall is working to create green jobs through energy conservation projects, "but we shouldn't raise hopes that these claims will be realized in the short term. It could be this year or next. It could be a year or more. We're ramping up to provide jobs, but not at the pace or timetable that things are being suggested." Those details weren't mentioned at Covenant Baptist on Monday, where almost a thousand people filled the standing-room-only sanctuary and an overflow room downstairs....The city would first have to issue millions of dollars in bonds and find someone to manage the project. "When we do get there, weatherization will be a part of it," [Cheh] said. "This may be a project that could be realized, but to speak about it as if it's right around the corner may be a little more than the facts can bear."'

Omar Karim appeared on WAMU-FM's Politics Hour Friday. Hosts **Kojo Nnamdi** and **Tom Sherwood** wanted to discuss cronyism allegations, but Karim was more interested in talking about how WMATA's trying to screw him out of a U Street development deal he'd been awarded. LL wrote up the appearance, as did WaPo's **Nikita Stewart**, who notes that Karim roundly denied the shakedown encounter alleged by **Don Peebles** in her recent Fenty cronyism story.

MORE ON THE WMATA DEAL—Jazz @ Florida Avenue, it's called. '[Karim] said he had learned two hours earlier that the board at WMATA has again taken the agreement off its agenda. Banneker won the development project in 2008. "Now, WMATA has $200,000 of ours," he said. "Some people have said it's political...One of the board members wanted another developer." Sherwood asked if the board member was [**Jim Graham**], who serves on the Metro board. "That's what I've been told," Karim said....Graham, chairman of the Metro board's real estate committee, said he is not responsible for what could be a severing of the Banneker deal. "There have been ongoing, serious questions from several members of the Metro board that he does not have the ability to perform," he said. "It's not about politics...and it's not just about Jim Graham either." Banneker, he said, currently does not have a development partner and is trying to renegotiate the deal in a way that could be unfair to other developers who originally bid on the project in 2008.' Also see DCmud's breakdown of Banneker's thin record.

A Sunday WaPo editorial outlines the problems with WMATA board structure, and describes what an overhaul should look like: 'Metro's 16-member board of directors, and the three-jurisdictional compact that codifies its structure, are relics. Once, when Metro was more a construction project than a major mass transit system, the board's structure made some sense. A rotating one-year chairmanship ensured that Maryland, Virginia and the

District would feel fairly treated in the process of contracting for, building and locating 86 stations and 106 miles of track. But once the system was built, Metro's governing system became more hindrance than help....The chairman should serve for multiple years, not just one. Elected officials should be barred from moonlighting as board members. The current structure, under which the general manager must be all things to all people, plus run an agency of 10,000 employees, is untenable. If the general manager is expected to be the public face of Metro, dealing with the board, the community and the media, then he or she should have a strong deputy who functions as the system's chief executive. Either that, or position the board chairman to be the face of Metro and leave the GM to handle operations.'

David Rosenbaum's son-in-law takes to the WaPo local editorial page to assess the progress of FEMS in the wake of **Stephanie Stephens**' preventable death and other reports. 'I can report that progress has been made,' **Toby Halliday** writes. 'But much still needs to be done....One of the most significant [EMS Task Force recommendations] was to create a unified, truly integrated Fire and Emergency Medical Services Department, where emergency medical services were given proper priority and decisions were driven by what's best for each patient. Chief Rubin fought hard to keep this approach in his department. Yet he still defends crew uniforms emblazoned with "DCFD" and calls concerns about labels "ridiculous." But symbols of the department's mission and identity are hardly trivial.' Halliday calls for stronger fire/EMS unification, a strong medical director, better training and supervision, and a review of staffing plans.

FURTHER—'I disagree with advocates of a separate EMS service in the District because I think fire-based responders need to be better trained, supported and integrated with the EMS mission rather than further isolated from it. I also disagree with The Post's recent suggestion that the EMS Task Force should be reconvened. Instead, Mayor Fenty, the D.C. Council and Chief Rubin must complete their unfinished work without additional conditions. We also need ongoing independent evaluation of emergency medical services. The mayor should create and empower an independent public ombudsman or citizen review board to ensure that the department remains accountable for its progress and performance.'

In themail, **Dorothy Brizill** raises objections to the **Muriel Bowser**-introduced open meetings bill: '[T]he bill takes a step backward and details a laundry list of exceptions and loopholes to the open meetings requirement that would render it ineffective, meaningless, and possibly worse than the current law....Moreover, the bill's open meetings requirement extends to any "public body," which is defined as "any council, task force, board or commission of the District government established pursuant to statute, regulation, or order."...[T]he term "public body" "shall not include the District of Columbia courts, governing bodies of individual public charter schools, the Mayor's cabinet, and the professional or administrative staff of public bodies when they meet outside the presence of a quorum of those bodies."'

WTTG-TV's **Paul Wagner** covers controversy over MPD's participation in the federal "Secure Communities" program, under which 'the fingerprints of people arrested for certain crimes would be shared not only with the FBI but with Immigration as well,' with possible deportations at stake. 'It is a policy many in the Latino community find deeply troubling. But at a city council hearing Friday Chief **[Cathy Lanier]** used the murder of a little boy as an example of how "Secure Communities" would work to prevent violence. On a Saturday night last November, nine-year-old **Oscar Fuentes** was shot and killed as he stood inside the front door of his family's apartment...."In that particular case, Said Chief Lanier, "the person who murdered Oscar Fuentes, Mr. Pena, had seven prior arrests in the District of Columbia and was here illegally, had we had Secure Communities Oscar Fuentes would still be alive." Chief Lanier says the Feds want the program in place by 2013, so she's determined to have the District's policy written and ready to go by then.'

The National Organization for Marriage is now push-polling for **Leo Alexander**, a Daily Kos diarist reports. According to one listserv poster, a call 'asked: "do you know that Mayor Adrian Fenty signed a bill making gay marriage in washington, dc legal? and Leo Alexander opposes same sex marriage? "' Alexander responded: 'Those were bought by NOM not by my campaign....and we didn't approve the script.'

Streetcars could be running on H Street NE by 2012, reports VotH. 'Preliminary plans call for the circular line to start at a newly built turnaround in the middle of Benning Road near its intersection with Oklahoma Avenue

NE. The streetcar would then head up H Street to Union Station through a viaduct that would be cut out of the H Street Bridge that crosses above the Amtrak tracks. The streetcar track would be built underneath the Amtrak yards and end up at 1st Street. [DDOT streetcar czar **Scott Kubly**] said the Transportation Department is working with Amtrak and the Union Station Redevelopment Corporation to accomplish that feat.' Also: Examiner covers Wisconsin Avenue streetcar push.

Examiner's **Harry Jaffe** looks at **Michelle Obama**'s upcoming commencement address to Anacostia High grads: 'No question the first lady is the perfect role model for Anacostia's girls. She can relate. When she was coming up on Chicago's rough side, people told her she was "acting white" when she studied hard and got good grades. She gets major cred for bringing that message to kids who don't hear that at home. But I can't help but wonder why the Obamas won't go all the way and dispatch the president to Anacostia High. It is, after all, the black boys who are most in need of a role model—a strong African American male who stays married, loves his wife, cuddles his kids, plays hoops and lives in the White House.' (BTW Harry, FLOTUS didn't make it to that tobacco press conference on Friday—she called in sick.)

In her 'Zaminer column, **Jonetta Rose Barras** says Fenty chose wisely in making parks a priority. 'Spend a day at one of the District's parks and it becomes clear why [Fenty] has invested so much political capital in them. When they are well-maintained, they often are used by thousands of taxpayers, which can translate into votes. But they also showcase the city as a vibrant, diverse cosmopolis....As the nation's capital, the District is a magnet for tourists. Those people come mostly to experience the federal enclave of monuments, museums and galleries. But beyond the White House and Capitol, where ordinary residents are found, the city is quite spectacular. Clean and well-manicured neighborhood parks bolster that assertion.'

Believe it or not, a developer is set to break ground this spring on a speculative office building in downtown Washignton, **Dion Haynes** reports in WaPo. '[D]oes a plan by a Swedish developer to break ground this spring on a 10-story, 165,000-square-foot Class A office building near Verizon Center—which has no tenants pre-leased—signal a return to the glory days? Not necessarily. Officials at Skanska USA Commercial Development say they recognize that demand is way down for office space and that credit is almost nonexistent for builders. But they say they're in a special situation: Skanska is financing and constructing the building itself. The company says it believes the project is in a can't-miss location: at 10th and G streets NW—within blocks of two Metro stations, eight hotels and more than 40 restaurants.'

ALSO—Donatelli breaks ground on 3801 Georgia Avenue project.

Federal judge allows DOH worker's whistleblower claim to move forward, Legal Times reports. '**Christina Conyers Williams**, who worked for D.C.'s Addiction Prevention and Recovery Administration...alleges that her bosses tried to have her terminated after she delivered negative remarks about a plan to adopt expensive new data software during a 2006 council oversight hearing....Afterwards, she claims her superiors became antagonistic and unsuccessfully tried removed her from her job for allegedly failing to comply with a District residency requirement, according court documents.'

WaPo ombo asks: 'Did The Post 'celebrate' gay marriage in D.C.?' His conclusion: 'My only complaint about the more recent coverage is that The Post should have offered a stand-alone story on the legal challenge to same-sex marriage. The D.C. Court of Appeals has yet to rule on an effort to put the issue to a citywide vote.' Also: 'A key question is whether the news coverage, over time, adequately exposed readers to varied views. Bishop Jackson agrees it did. In an interview, he accused Post reporter **Tim Craig** of intentionally underestimating the crowd size at an anti-gay-marriage rally; it's a serious charge that Craig and his editors deny. But beyond that, Jackson said, "the volume of coverage on us was fair."'

ALSO—Baltimore Sun covers 'Gay Marylanders flocking to D.C. to exchange vows,' noting that 'at least 25 percent of the 151 license-seekers the first day were from Maryland.' Minister who married first registered gay couple lauds 'true family values' in WaPo piece. And remember that event planner hoping to set a world record for largest mass gay wedding? They only got 10 couples.

A short profile of youth-violence activist **Kenny Barnes Sr.**, from Examiner's **Scott McCabe**. 'Barnes, a clinical psychologist, says violence is a public health issue, not a legal issue. "Do I think prisoners need more time? That's not even the issue," he said. "That's waiting until after something happens. By that time, it's really too late." Barnes now runs a nonprofit called ROOT Inc., which seeks to prevent more killings by working with kids who at risk for getting into serious trouble.'

DCist reveals that city tap water will stay chlorinated extra-long this year: 'The issue is that the U.S. Army Corps of Engineers, which runs the Washington Aqueduct, decided that this year the switch to chlorine needed to last much longer, according to WASA spokesperson **Alan Heymann**. In previous years, the chlorine smell lasted for about one month. But this year, they determined that the District's aging pipes needed additional time to get fully cleaned, so the chlorine treatment was scheduled for a full three and a half months, from Feb. all the way through to May 17. That additional time means you may be noticing a stronger smell than normal, as well.'

WaPo's **Jay Mathews** unearths a difference of opinion between Wilson HS teacher **Erich Martel** and his principal, **Peter Cahall**. Martel, to prevent cheating, uses gives different versions of tests to his classes, but Cahall isn't in favor of that approach. '"You are creating an expectation that students will cheat," Martel recalls Cahall saying. "By creating that expectation, they will rise to your expectation." When I asked Cahall about it, he did not deny that he said it. His intention, he said, was not to prohibit Martel's methods but to urge him to consider another perspective...."I would prefer that teachers use more rigorous assessments when possible, that require written responses and higher levels of thinking. In addition to being more challenging and requiring a sophisticated skill set, these types of assessments are also more difficult for students to copy."'

ALSO—How many DCPS schools are participating in Capital Gains? Blogger **Guy Brandenburg** is awfully confused.

Charter school performance reports now available (via Turque).

DCPS reportedly will partner with PC maker to 'donate a Moby tablet to every child in an at-risk school as part of a multi-year program in new media and learning.'

Old Naval Hospital renovation will start soon, believe it or not.

One is dead in double shooting shortly after midnight last night on 1300 block of Alabama Avenue SE.

Body of Northeast resident **Pierre Williams**, 31, was found in the Anacostia on Saturday. Also WUSA-TV, which reports: 'The body was found by two rowers late Saturday afternoon just south of the 11th St. bridge. Police retrieved the body at the Eastern Power Boat Club on the 1300 block of Water St....Boaters at the Club said they were told the victim was a young black man who had Jay-Z tickets in his pocket. That concert was held at the Verizon Center on March 3.'

Dr. Gridlock on how to fix Gallery Place station.

UDC associate provost is finalist to become chancellor of Wisconsin college.

Smartbike update: DDOT's **Gabe Klein** says in Friday live chat (via WashCycle) that 'We are very very very close to an announcement that will put 1000 bikes on the street (as a start) this year.'

Andre Chreky, hairdresser to the rich and powerful, declares bankruptcy.

SONUVA—No more than 3.4 ounces of liquid or gels now allowed in Prettyman courthouse, thank you very much.

Less than two weeks to cherry blossom season. Be prepared.

Hearings on Metro gap-closing measures start tonight in Oakton, Va.; first D.C. hearing is Wednesday at St. Francis Xavier church.

D.C. COUNCIL TODAY—10 a.m.: Committee of the Whole agency performance oversight hearing on D.C. Public Schools, JAWB 500; 2 p.m.: Committee on Public Safety and the Judiciary hearing on B18-563 ('Uniform Principal and Income Technical Amendments Act of 2009'), B18-617 ('District of Columbia Uniform Law Commission Act of 2009'), and B18-660 ('Domestic Violence Fatality Review Board Extension Amendment Act of 2010'), JAWB 123.

ADRIAN FENTY TODAY—10:30 a.m.: remarks, street sweeping season kickoff, intersection of Anacostia Avenue and Dix Street NE; 2 p.m.: remarks, Harry Thomas Sr. Recreation Center renovations unveiling, 1743 Lincoln Road NE; 6 p.m.: remarks, Mayor's Arts Awards reception, Carnegie Library, 801 K St. NW.

You can view the original post here.

This message was sent from Loose Lips to josh@lakritzadler.com. It was sent from: Washington City Paper, 2390 Champlain Street, NW, Washington, DC 20009. You can modify/update your subscription via the link below.

Email Marketing by iContact - Try It Free!

Manage your subscription

From: refertofriend@webmail.bizjournals.com <reply@mail-1.bizjournals.com>
Sent: Monday, March 22, 2010 4:33 PM
To: josh@lakritzadler.com
Subject: Article from bizjournals: Banneker Ventures questions increase

---

WASHINGTON BUSINESS JOURNAL

This **Breaking Ground** blog post was sent to you by **josh@lakritzadler.com**:

Sender's comment:
Hmm -- it's been removed from the March 31 agenda??

Banneker Ventures questions increase

Published: March 22, 2010

Pressure on D.C. Mayor Adrian Fenty heated up March 19 as questions increased about his selection process for developers amid news that Metro may be backing away from Banneker Ventures as a development partner, the "DCMud" blog reported.

View full article

Copyright (C) American City Business Journals Inc. All rights reserved.

CHADBOURNE
& PARKE LLP

1200 New Hampshire Avenue NW, Washington, DC 20036
tel (202) 974-5600 fax (202) 974-5602

Abbe David Lowell
Direct tel 202-974-5605
adlowell@chadbourne.com

September 12, 2012

VIA HAND DELIVERY

Bradley J. Bondi, Esq.
Cadwalader, Wickersham & Taft LLP
700 Sixth Street, N.W.
Washington, D.C. 20001

Re: WMATA OIG Subpoena to LaKritz Adler Dated June 29, 2012

Dear Brad:

Enclosed are documents Bates-numbered LA1142 to LA1800 that are responsive to Categories 1 and 2, as set forth in my email to you dated September 3, 2012. This is in addition to the productions that we made previously on July 25, 2012, and September 7, 2012. Specifically, our production today comprises:

(1) Communications or evidence of communications between LaKritz Adler (or its representatives) and representatives of Banneker Ventures, LLC, Omar Karim, Warren Williams, or Jim Graham for the period January 1, 2007, to the present, discussing, relating, or referring to the Florida Avenue Property or the lot adjacent to the Florida Avenue Property (1920 Eighth Street, N.W.), which was controlled by LaKritz Adler ("the adjacent lot"); and

(2) Documents, including communications between LaKritz Adler (or its representatives) and anyone, discussing, relating, or referring to the development of the WMATA Florida Avenue Property and/or the adjacent lot, for the period February 1, 2008, through March 31, 2010.

Some of the documents in today's production have been redacted to remove references to subjects outside the scope of the two categories above. In addition, we have not produced documents responsive to these two categories that are protected by the attorney client privilege and/or the attorney work product doctrine. Finally, although they refer to 1920 Eighth Street, N.W., we have not produced copies of Mr. Adler or Mr. LaKritz's personal income tax returns for tax year 2008.

The three productions we have made so far represent the bulk of responsive documents in our clients' possession. We are still working to obtain final confirmation as to whether there are any additional responsive electronic documents. We anticipate that we will be able to make that determination later this week and supplement our production next week if necessary.

Sincerely,

Abbe David Lowell

Enclosures

*** Slip Sheet ***

Document

LaKritz Adler

Company	Avail Cash Bal 01/31/10
Redacted	
1920 8th Street LLC	$346.67
Redacted	

CONFIDENTIAL

LA 00001143

*** Slip Sheet ***

Document

Redacted

LaKritz Adler		Bank Accounts			
Bank	Account Name	Account Number		Balance 11/27/09	
			XFER	11-23-09	11-27-09

Redacted

BB&T	1920 8th Street LLC	5162-778-635		346.67	"

Redacted

LaKritz Adler		Bank Accounts	
Bank	Account Name	Account Number	Balance 11/27/09

Redacted

LaKritz Adler		Bank Accounts	
Bank	Account Name	Account Number	Balance 11/27/09

Redacted

*** Slip Sheet ***

Document

1920 8TH ST.-DEPOSITS-2009 1

*** Slip Sheet ***

Document

1916-1930 8TH ST- PURCHASE

*** Slip Sheet ***

Document

Cash Flow To Do

Finish 1920 8th St.

Update Cash Flow

Extend Cash Flows

> 2008

3600 Development Plan

To Do

Set up loan schedule for
Med Home Seller Fin
@ 15% less
guaranteed points
made

*** Slip Sheet ***

Document

FOIA CONFIDENTIAL TREATMENT REQUESTED

GENERAL NOTES:

1) THE PROPERTY SHOWN HEREON IS IDENTIFIED BY DISTRICT OF COLUMBIA TAX & ASSESSMENT AS LOT 32, LOT 25, LOT 26, LOT 27, LOT 28, LOT 29 AND LOT 820, IN SQUARE 393.

2) THIS SURVEY IS VALID ONLY IF PRINT HAS ORIGINAL SEAL AND SIGNATURE OF SURVEYOR.

3) THE WORD "CERTIFY", "CERTIFICATION" OR "REPORT" AS SHOWN AND USED FOR THE PURPOSES OF THIS SURVEY HEREIN AN EXPRESSION OF PROFESSIONAL OPINION REGARDING THE FACTS OF THE SURVEY AND DOES NOT CONSTITUTE A WARRANTY OR GUARANTEE, EXPRESSED OR IMPLIED.

4) HORIZONTAL DATUM IS D. C. SURVEYOR'S NORTH

5) VERTICAL DATUM IS NAVD88

6) NO SUBSURFACE INVESTIGATION BY RICE ASSOCIATES UTILITIES EXIST ON AND AROUND THE SUBJECT PROPERTY THAT ARE NOT DESCRIBED OR REFERENCED IN THE TITLE COMMITMENT.

7) NO VISIBLE EVIDENCE OF CEMETERIES WAS NOTED IN THE SUBJECT PROPERTY

8) THE SUBJECT PROPERTY HAS DIRECT ACCESS TO AND FROM A PUBLIC STREET OR HIGHWAY.

9) NO ATTEMPT HAS BEEN MADE AS A PART OF THIS SURVEY TO OBTAIN OR SHOW DATA CONCERNING EXISTENCE, SIZE, DEPTH, DIMENSIONS, CAPACITY OR LOCATION OF ANY UTILITIES OR MUNICIPALLY OWNED SERVICE FACILITY. FOR INFORMATION REGARDING THESE UTILITIES OPERATORS CONTACT "MISS UTILITY" (800) 257-7777.

10) PUBLIC WATER AND SANITARY SEWER SERVE THE SUBJECT PROPERTY.

11) ALL MEASUREMENTS AND DISTANCES ARE IN U.S. SURVEY FEET.

12) SUBSURFACE VALUES MAY AFFECT THE SUBJECT PROPERTY AND ARE NOT ADDRESSED HEREON

SURVEYOR'S CERTIFICATION

THE UNDERSIGNED, BEING A LAND SURVEYOR IN THE DISTRICT OF COLUMBIA CERTIFIES TO FIRST AMERICAN TITLE INSURANCE COMPANY, 25 TRI-STATE COMMERCIAL CLOSINGS, INC. (IN THE COUNTERSIGN ADVISORS, INC. AND (IV) MERIAL, INC. AS FOLLOWS:

1. THIS MAP OR PLAT AND THE SURVEY OVER HEREON IS BASED UPON A MADE IN ACCORDANCE WITH THE "MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS" JOINTLY ESTABLISHED AND ADOPTED BY THE AMERICAN CONGRESS ON SURVEYING AND THE NATIONAL SOCIETY OF PROFESSIONAL SURVEYORS 1998, AND INCLUDES ITEMS 1, 2, 3, 4, 6, 7(a), 8, 9, 10, 11a, 13, 14, 16, 18, AND 19 OF TABLE "A" THEREOF. PURSUANT TO THE ACCURACY STANDARDS AS ADOPTED BY THE AMERICAN LAND TITLE ASSOCIATION, THE NATIONAL SOCIETY OF PROFESSIONAL SURVEYORS, AND THE AMERICAN CONGRESS ON SURVEYING AND MAPPING IN EFFECT ON THE DATE OF THIS IDENTIFICATION, UNDERSIGNED FURTHER CERTIFIES THAT THE PROPORTIONAL LOCATIONS MADE RESULTING FROM THE SURVEY MEASUREMENTS MADE ON THE SURVEY DO NOT EXCEED THE ALLOWABLE PROPORTIONAL TOLERANCE.

2. THE SURVEY WAS MADE ON THE GROUND BETWEEN OCTOBER 2, 2002, AND OCTOBER 7, 2002, AND TO THE BEST OF MY KNOWLEDGE AND BELIEF ALL OVER THE AREA OF THE SUBJECT PROPERTY, THE LOCATION AND TYPE OF ALL BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS SITUATED ON THE SUBJECT PROPERTY.

3. EXCEPT AS SHOWN HEREON THERE ARE NO VISIBLE EASEMENTS OR RIGHTS OF WAY OF WHICH THE UNDERSIGNED HAS BEEN ADVISED.

4. EXCEPT AS SHOWN HEREON THERE ARE NO DISCERNABLE, ABOVE GROUND ENCROACHMENTS (A) BY THE IMPROVEMENTS ON THE SUBJECT PROPERTY UPON ADJOINING PROPERTIES, STREETS, OR ALLEYS, OR (B) BY THE IMPROVEMENTS ON ADJOINING PROPERTIES, STREETS OR ALLEYS UPON THE SUBJECT PROPERTY.

5. THE LOCATION OF EACH EASEMENT, RIGHT OF WAY, SERVITUDE, AND OTHER MATTER AFFECTING THE SUBJECT PROPERTY AND LISTED IN THE TITLE INSURANCE COMMITMENT NUMBER [illegible] DATED MAY 15, 2002 AS ITEM [illegible] BY FIRST AMERICAN TITLE INSURANCE COMPANY COMMITMENT TO THE SUBJECT PROPERTY, HAS BEEN LOCATED BY THE SURVEY, TOGETHER WITH APPROPRIATE RECORDED REFERENCES, TO THE EXTENT THAT SUCH MATTERS CAN BE LOCATED. THE LOCATION OF ALL IMPROVEMENTS ON THE SUBJECT PROPERTY IS IN ACCORD WITH MINIMUM SETBACK PROVISIONS AND RESTRICTIONS OF RECORD PER ALLOWED IN SUCH TITLE COMMITMENT

6. THE SUBJECT PROPERTY LIES IN A FLOOD ZONE "X" PER FLOOD INSURANCE RATE MAP COMMUNITY PANEL NUMBER 110001 0185 D, EFFECTIVE DATE 11-02-1982.

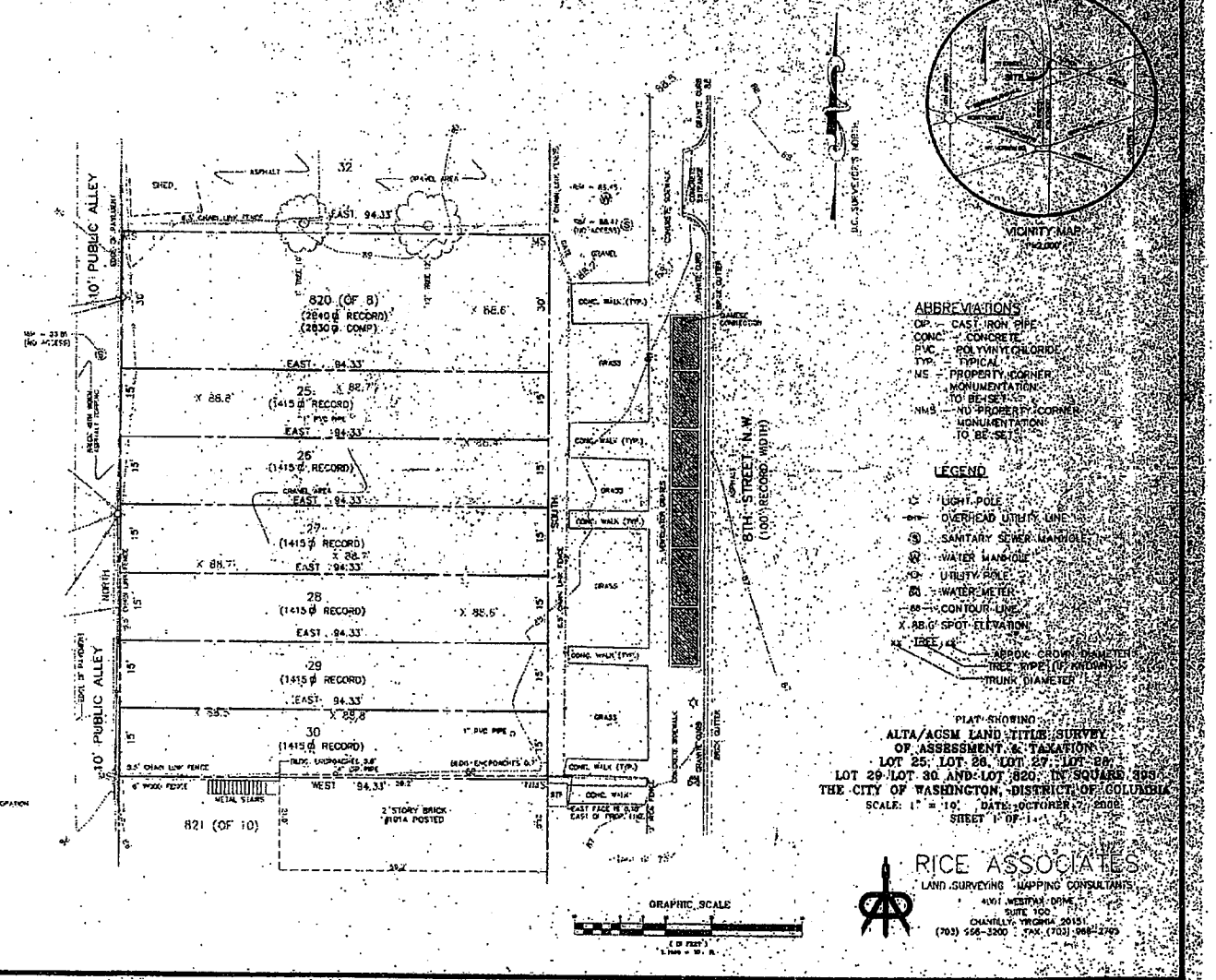
DISTRICT OF COLUMBIA
PAUL H. REVOIR
No. 13000
PROFESSIONAL LAND SURVEYOR

10/7/02

TITLE COMMITMENT REVIEW

I HAVE REQUIRED AND REVIEWED COPIES OF ALL PERTINENT DOCUMENTS FROM FIRST AMERICAN TITLE INSURANCE CORPORATION COMMITMENT FOR TITLE COMMITMENT NUMBER [illegible], EFFECTIVE MAY 15, 2002, AT 8:00 A.M., WITH SCHEDULE "B", SECTION 2, EXCEPTIONS AND THE FOLLOWING NOTATIONS ARE MADE CONCERNING THE EXCEPTIONS THEREIN:

Item 1 IS FINANCIAL AND/OR ADMINISTRATIVE IN NATURE AND IS NOT ADDRESSED HEREON
Item 2 IS FINANCIAL AND/OR ADMINISTRATIVE IN NATURE AND IS NOT ADDRESSED HEREON
Item 3 IS ADDRESSED HEREON TO THE EXTENT POSSIBLE.
Item 4 IS ADDRESSED HEREON TO THE EXTENT POSSIBLE.
Item 5 IS FINANCIAL AND/OR ADMINISTRATIVE IN NATURE AND IS NOT ADDRESSED HEREON
Item 6 IS FINANCIAL AND/OR ADMINISTRATIVE IN NATURE AND IS NOT ADDRESSED HEREON
Item 7 IS FINANCIAL AND/OR ADMINISTRATIVE IN NATURE AND IS NOT ADDRESSED HEREON
Item 8 IS FINANCIAL AND/OR ADMINISTRATIVE IN NATURE AND IS NOT ADDRESSED HEREON
Item 9 IS FINANCIAL AND/OR ADMINISTRATIVE IN NATURE AND IS NOT ADDRESSED HEREON



*** Slip Sheet ***

Document

58 : 0393

Lot #	Address	2005 Assessment	2006 Assessment	Tax 2005 1st Half
25	1926 8th St NW	63,740	212,950	589.59
26	1924	63740	212,950	589.59
27	1922	63740	212,950	589.59
28	1920	63,740	212,950	589.59
29	1918	63,740	212,950	589.59
30	1916	63,740	212,950	589.59
820	1928-1930	86,100	427,750	796.42
		468,540	1,705,450	4333.26
		@1.85	@1.85	x 2
		8667.99	31,550.83	8662.9[illegible]

8th St.	
Criminals Filing Reports	mid Jan 07
Historic Board Hearing	- end of Jan 07
Arch.	Jan > Mar 07
Select Bank	end of Feb 07
Settlement	Apr 28, 07

CONFIDENTIAL

LA 00001153

*** Slip Sheet ***

Document

1920 8TH ST LLC
BANK STMTS 2008

*** Slip Sheet ***

Document

BB&T

410-08-01-00 12208 0 C 001 26 50 003
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

Your account statement

For 12/31/2008

Contact us

BBT.com

(800) BANK-BBT or
(800) 226-5228

Make Your Holiday Shopping Easy!

BB&T Gift Cards are the perfect gift for everyone this holiday season! From dinner to music, shopping and buying online - BB&T Gift Cards are welcomed at millions of locations where Visa® debit cards are accepted. Visit your local BB&T Financial Center and get yours today!

BB&T Gift Cards are issued by BB&T Financial, FSB, a subsidiary of BB&T Corporation, Member FDIC.

▪ FREE BUSINESS CHECKING-MM 0005162778635

Account summary

Your previous balance as of 11/28/2008	$3,850.17
Checks	- 14,660.50
Other withdrawals, debits and service charges	- 0.00
Deposits, credits and interest	+ 28,000.00
Your new balance as of 12/31/2008	**= $17,189.67**

Checks

DATE	CHECK #	AMOUNT($)	DATE	CHECK #	AMOUNT($)	DATE	CHECK #	AMOUNT($)
12/15	1026	1,725.50	12/24	1027	435.00	12/11	*985012	12,500.00
						Total checks		= $14,660.50

* indicates a skip in sequential check numbers above this item

Deposits, credits and interest

DATE	DESCRIPTION	AMOUNT($)
12/01	BB&T ONLINE TRANSFER TRANSFER FROM CHECKING 0005162793618 12-01-08	12,500.00
12/01	BB&T ONLINE TRANSFER TRANSFER FROM CHECKING 0005162794134 12-01-08	12,500.00
12/08	COUNTER DEPOSIT	3,000.00
Total deposits, credits and interest		= $28,000.00

Questions, comments or errors?

Member FDIC

For general questions/comments or to report errors about your statement or account, please call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228) 24 hours a day, 7 days a week. BB&T Phone24 Client Service Associates are available to assist you from 6 a.m. until midnight ET. You may also contact your local BB&T financial center. To locate a BB&T financial center in your area, please visit BBT.com.

Electronic fund transfers

In case of errors or questions about your electronic fund transfers, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, contact us as soon as possible. You may write to us at the following address:

BB&T Liability Risk Management
P.O. Box 996
Wilson, NC 27894-0996

You may also call BB&T Phone24 at 1-800-BANK BBT or visit your local BB&T financial center. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. Please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

We will investigate your complaint/concern and promptly take corrective action. If we take more than ten (10) business days to complete our investigation, your account will be credited for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occurred. This will provide you with access to your funds during the time it takes us to complete our investigation. You may have no liability for unauthorized Check Card purchases, subject to the terms and conditions in the current BB&T Electronic Fund Transfer Agreement and Disclosures. If you have arranged for direct deposit(s) to your account, please call BB&T Phone24 at 1-800-BANK BBT to verify that a deposit has been made.

If your periodic statement shows transfers that you did not make, tell us at once. If you do not inform us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days. This will occur if we can prove that we could have stopped someone from taking the money if you had informed us in time. If a good reason kept you from informing us, we will extend the time periods.

Important information about your Constant Credit Account

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average daily balance." The **FINANCE CHARGE** is calculated by applying the "Daily periodic rate" to the "Average daily balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average daily balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the daily balance. Then we add all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average daily balance."

Billing rights summary

In case of errors or questions about your Constant Credit statement

If you think your statement is incorrect, or if you need more information about a Constant Credit transaction on your statement, please call 1-800-476-4228 or visit your local BB&T financial center. To dispute a payment, please write to us on a separate sheet of paper at the following address:

BankCard Services Division
P.O. Box 200
Wilson, NC 27894-0200

We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

During our investigation process, you are not responsible for paying any amount in question; you are, however, obligated to pay the items on your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

Mail-in deposits

If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

Change of address

If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).

How to Reconcile Your Account	
1. List the new balance of your account from your latest statement here:	
2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here:	
3. Subtract the amount in line 2 above from the amount in line 1 above and enter the total here:	
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here:	
5. Add the amount in line 4 to the amount in line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.	
For more information, please contact your local BB&T relationship manager, visit BBT.com, or contact BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).	

Outstanding Checks and Other Debits (Section A)

Date/Check #	Amount	Date/Check #	Amount

Outstanding Deposits and Other Credits (Section B)

Date/Type	Amount	Date/Type	Amount

CONFIDENTIAL

LA 00001156

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017183

*** Slip Sheet ***

Document

BB&T

410-08-01-00 12208 0 C 001 26 50 003
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

Your account statement

For 11/28/2008

Contact us

BBT.com

(800) BANK-BBT or
(800) 226-5228

Make Your Holiday Shopping Easy!

BB&T Gift Cards are the perfect gift for everyone this holiday season! From dinner to music, shopping and buying online - BB&T Gift Cards are welcomed at millions of locations where Visa® debit cards are accepted. Visit your local BB&T Financial Center and get yours today!

BB&T Gift Cards are issued by BB&T Financial, FSB, a subsidiary of BB&T Corporation, Member FDIC.

▪ FREE BUSINESS CHECKING-MM 0005162778635

Account summary

Your previous balance as of 10/31/2008	$14,445.17
Checks	- 13,595.00
Other withdrawals, debits and service charges	- 0.00
Deposits, credits and interest	+ 3,000.00
Your new balance as of 11/28/2008	**= $3,850.17**

Checks

DATE	CHECK #	AMOUNT($)	DATE	CHECK #	AMOUNT($)	DATE	CHECK #	AMOUNT($)
11/05	1024	200.00	11/04	1025	895.00	11/17	*985011	12,500.00

* indicates a skip in sequential check numbers above this item

Total checks **= $13,595.00**

Deposits, credits and interest

DATE	DESCRIPTION	AMOUNT($)
11/07	COUNTER DEPOSIT	3,000.00
Total deposits, credits and interest		**= $3,000.00**

0001041
CONFIDENTIAL

LA 00001157

FOIA CONFIDENTIAL TREATMENT REQUESTED

Questions, comments or errors?

Member FDIC

For general questions/comments or to report errors about your statement or account, please call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228) 24 hours a day, 7 days a week. BB&T Phone24 Client Service Associates are available to assist you from 6 a.m. until midnight ET. You may also contact your local BB&T financial center. To locate a BB&T financial center in your area, please visit BBT.com.

Electronic fund transfers

In case of errors or questions about your electronic fund transfers, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, contact us as soon as possible. You may write to us at the following address:

BB&T Liability Risk Management
P.O. Box 996
Wilson, NC 27894-0996

You may also call BB&T Phone24 at 1-800-BANK BBT or visit your local BB&T financial center. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. Please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

We will investigate your complaint/concern and promptly take corrective action. If we take more than ten (10) business days to complete our investigation, your account will be credited for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occurred. This will provide you with access to your funds during the time it takes us to complete our investigation. You may have no liability for unauthorized Check Card purchases, subject to the terms and conditions in the current BB&T Electronic Fund Transfer Agreement and Disclosures. If you have arranged for direct deposit(s) to your account, please call BB&T Phone24 at 1-800-BANK BBT to verify that a deposit has been made.

If your periodic statement shows transfers that you did not make, tell us at once. If you do not inform us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days. This will occur if we can prove that we could have stopped someone from taking the money if you had informed us in time. If a good reason kept you from informing us, we will extend the time periods.

Important information about your Constant Credit Account

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average daily balance." The **FINANCE CHARGE** is calculated by applying the "Daily periodic rate" to the "Average daily balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average daily balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the daily balance. Then we add all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average daily balance."

Billing rights summary

In case of errors or questions about your Constant Credit statement

If you think your statement is incorrect, or if you need more information about a Constant Credit transaction on your statement, please call 1-800-476-4228 or visit your local BB&T financial center. To dispute a payment, please write to us on a separate sheet of paper at the following address:

BankCard Services Division
P.O. Box 200
Wilson, NC 27894-0200

We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

During our investigation process, you are not responsible for paying any amount in question; you are, however, obligated to pay the items on your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

Mail-in deposits

If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

Change of address

If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).

How to Reconcile Your Account	
1. List the new balance of your account from your latest statement here:	
2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here:	
3. Subtract the amount in line 2 above from the amount in line 1 above and enter the total here:	
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here:	
5. Add the amount in line 4 to the amount in line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.	
For more information, please contact your local BB&T relationship manager, visit BBT.com, or contact BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).	

Outstanding Checks and Other Debits (Section A)

Date/Check #	Amount	Date/Check #	Amount

Outstanding Deposits and Other Credits (Section B)

Date/Type	Amount	Date/Type	Amount

CONFIDENTIAL

LA 00001158

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017186

*** Slip Sheet ***

Document

BB&T

410-08-01-00 12208 0 C 001 26 50 003
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

Your account statement

For 10/31/2008

Contact us

BBT.com

(800) BANK-BBT or
(800) 226-5228

Your deposit statement is new and improved!

We are excited to announce BB&T has undertaken a strategic initiative to develop an enhanced statement for our deposit clients. This statement features the new design along with a "How to Read Your Statement" guide. With all of the improvements, however, we hope that you do not need the guide!

The new deposit statement offers many advantages, including:

- Improved print font and design for easier reading
- "Summary of your accounts" section for quick-glance account information
- Product category icons and groupings
- And much more!

As always, we appreciate your business!

▪ FREE BUSINESS CHECKING-MM 0005162778635

Account summary

Your previous balance as of 09/30/2008	$10,782.17
Checks	- 19,337.00
Other withdrawals, debits and service charges	- 0.00
Deposits, credits and interest	+ 23,000.00
Your new balance as of 10/31/2008	= $14,445.17

Checks

DATE	CHECK #	AMOUNT($)	DATE	CHECK #	AMOUNT($)	DATE	CHECK #	AMOUNT($)
10/17	1022	87.00	10/17	1023	500.00	10/16	*985010	18,750.00

* indicates a skip in sequential check numbers above this item

Total checks = $19,337.00

Deposits, credits and interest

DATE	DESCRIPTION	AMOUNT($)
10/02	BB&T ONLINE TRANSFER TRANSFER FROM CHECKING 0005162793618 10-02-08	10,000.00
10/02	BB&T ONLINE TRANSFER TRANSFER FROM CHECKING 0005162794134 10-02-08	10,000.00
10/07	COUNTER DEPOSIT	3,000.00
Total deposits, credits and interest		= $23,000.00

CONFIDENTIAL
LA 00001159
FOIA CONFIDENTIAL TREATMENT REQUESTED
WMATA-INV 017188

Questions, comments or errors?

Member FDIC

For general questions/comments or to report errors about your statement or account, please call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228) 24 hours a day, 7 days a week. BB&T Phone24 Client Service Associates are available to assist you from 6 a.m. until midnight ET. You may also contact your local BB&T financial center. To locate a BB&T financial center in your area, please visit BBT.com.

Electronic fund transfers

In case of errors or questions about your electronic fund transfers, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, contact us as soon as possible. You may write to us at the following address:

BB&T Liability Risk Management
P.O. Box 996
Wilson, NC 27894-0996

You may also call BB&T Phone24 at 1-800-BANK BBT or visit your local BB&T financial center. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. Please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

We will investigate your complaint/concern and promptly take corrective action. If we take more than ten (10) business days to complete our investigation, your account will be credited for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occurred. This will provide you with access to your funds during the time it takes us to complete our investigation. You may have no liability for unauthorized Check Card purchases, subject to the terms and conditions in the current BB&T Electronic Fund Transfer Agreement and Disclosures. If you have arranged for direct deposit(s) to your account, please call BB&T Phone24 at 1-800-BANK BBT to verify that a deposit has been made.

If your periodic statement shows transfers that you did not make, tell us at once. If you do not inform us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days. This will occur if we can prove that we could have stopped someone from taking the money if you had informed us in time. If a good reason kept you from informing us, we will extend the time periods.

Important information about your Constant Credit Account

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average daily balance." The **FINANCE CHARGE** is calculated by applying the "Daily periodic rate" to the "Average daily balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average daily balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the daily balance. Then we add all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average daily balance."

Billing rights summary

In case of errors or questions about your Constant Credit statement

If you think your statement is incorrect, or if you need more information about a Constant Credit transaction on your statement, please call 1-800-476-4228 or visit your local BB&T financial center. To dispute a payment, please write to us on a separate sheet of paper at the following address:

BB&T Bankcard & Merchant Services
P.O. Box 200
Wilson, NC 27894-0200

We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

During our investigation process, you are not responsible for paying any amount in question; you are, however, obligated to pay the items on your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

Mail-in deposits

If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

Change of address

If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).

How to Reconcile Your Account	
1. List the new balance of your account from your latest statement here:	
2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here:	
3. Subtract the amount in line 2 above from the amount in line 1 above and enter the total here:	
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here:	
5. Add the amount in line 4 to the amount in line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.	
For more information, please contact your local BB&T relationship manager, visit BBT.com, or contact BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).	

Outstanding Checks and Other Debits (Section A)

Date/Check #	Amount	Date/Check #	Amount

Outstanding Deposits and Other Credits (Section B)

Date/Type	Amount	Date/Type	Amount

CONFIDENTIAL LA 00001160

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017189

*** Slip Sheet ***

Document

BB&T

BB&T - DISTRICT OF COLUMBIA

STATEMENT DATE
02-29-08

410-08-01-00 12208 0 C 001 26 50 03 0005162778635
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

FREE BUSINESS CHECKING-MM **ACCOUNT NUMBER 0005162778635**

-ACCOUNT SUMMARY-

PREVIOUS BALANCE AS OF 01-31-08		2,899.27
2 DEPOSITS/CREDITS	10,000.00+	
1 CHECKS PAID	6,250.00-	
0 WITHDRAWALS/DEBITS	.00-	
SERVICE CHARGE	.00-	
NEW BALANCE AS OF 02-29-08		**6,649.27**

-CHECKS PAID-

DATE	CHECK NUMBER	AMOUNT	REFERENCE NUMBER	DATE	CHECK NUMBER	AMOUNT	REFERENCE NUMBER
02-28	985002	6,250.00	2801986701				

DEPOSITS/OTHER CREDITS-

DATE	AMOUNT	DESCRIPTION	REFERENCE NUMBER
02-01	7,000.00	BB&T ONLINE TRANSFER	111
		TRANSFER FROM CHECKING	111
		0005162332327 02-01-08	111
02-05	3,000.00	COUNTER DEPOSIT	5106184034

DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
02-01	9,899.27	02-05	12,899.27	02-28	6,649.27

FOR ASSISTANCE, CALL (202) 628-7440 OR FOR BB&T PHONE24, CALL (800)BANKBBT (1-800-226-5228).

CHANGE OF ADDRESS If your address changes, please notify us in person or complete this form. Write your new address, sign and send this form to your BB&T office, include it with your next deposit or mail to P.O. Box 1489, Lumberton, NC 28359.

Name(s) _____

Street _____

City _____ State _____ Zip _____ Phone Number _____

Signature _____ Date _____

☐ Change the address for all my accounts. If you have multiple accounts but do not wish this address change to affect them, please see a Customer Service Representative regarding this request.

TO BALANCE YOUR ACCOUNT

1. Record in your transaction register items on this statement that haven't been recorded, such as BB&T 24 transactions, BB&T 24 Check Card transactions, Constant Credit advances, automatic transfers, preauthorized drafts, service charges, interest credits and other transactions.
2. In your transaction register, mark off all checks and debits/withdrawals paid as shown on front of statement.
3. Account for any transactions which weren't recorded on this statement.
   A. In the outstanding Checks/Debits area (section A), list checks or debits/withdrawals that don't appear on this statement.
   B. In the outstanding Deposits/Credits area (section B), list any deposits or credits that don't appear on this statement.
4. Write in the statement ending balance shown on this statement. $_____
5. Add the amount of outstanding Deposits/Credits (from Step 3B). $_____
6. Total lines 4 and 5. $_____
7. Subtract amount of outstanding Checks/Debits (from Step 3A). $_____
8. This is your adjusted statement balance. This balance should agree with your current register balance. $_____

If your adjusted statement balance (line 8) does not agree with your transaction register balance:

- Review last month's reconcilement to make sure any differences were corrected.
- Make sure all deposits shown on this statement are included in your register balance.
- Check addition and subtraction in your register and in this month's reconcilement.

If you think your statement is incorrect, or if you need more information about a transaction on your statement, please contact the Customer Service Representative at your local BB&T office.

A. OUTSTANDING CHECKS/DEBITS	
CHECK NO.	AMOUNT
TOTAL AMOUNT	$

B. OUTSTANDING DEPOSITS/CREDITS	
DATE	AMOUNT
TOTAL AMOUNT	$

NOTE: All deposits which are received by the bank on a Saturday, Sunday, holiday or after 2:00 pm on a business day will be treated as having been received on the next business day.

MEMBER FDIC

IMPORTANT INFORMATION ABOUT YOUR CONSTANT CREDIT ACCOUNT

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average Daily Balance." The **FINANCE CHARGE** is calculated by applying the "Daily Periodic Rate" to the "Average Daily Balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average Daily Balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the "Daily Balance." Then we add all the Daily Balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average Daily Balance."

BILLING RIGHTS SUMMARY

In Case of Errors or Questions About Your Constant Credit Statement

If you think your statement is wrong, or if you need more information about a transaction on your statement, write us on a separate sheet at the following address: BB&T Bankcard & Merchant Services, P.O. Box 200, Wilson, NC 27894-0200, or visit your local BB&T office as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUND TRANSFERS

Telephone us at 1-800-682-6921 or write Electronic Banking Department, 100-99-04-10, P.O. Box 996, Wilson, NC 27894-0996 as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- **Tell us your name and account number (if any).**
- **Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.**
- **Tell us the dollar amount of the suspected error.**

We will investigate your complaint and correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occured, so that you will have the use of the money during the time it takes us to complete our investigation.

If you have arranged for direct deposits to your account, you can call us at the number above to find out if the deposit has been made.

MAIL IN DEPOSITS

If you wish to mail in a deposit, please send a deposit ticket and check to your local BB&T branch. Please do not send cash.

*** Slip Sheet ***

Document

BB&T

BB&T - DISTRICT OF COLUMBIA

STATEMENT DATE
03-31-08

410-08-01-00 12208 D C 001 26 50 03 0005162778635
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

FREE BUSINESS CHECKING-MM ACCOUNT NUMBER 0005162778635

-ACCOUNT SUMMARY-

PREVIOUS BALANCE AS OF 02-29-08		6,649.27
5 DEPOSITS/CREDITS	48,000.00+	
0 CHECKS PAID	.00-	
1 WITHDRAWALS/DEBITS	7,000.00-	
SERVICE CHARGE	.00-	
NEW BALANCE AS OF 03-31-08		47,649.27

-OTHER WITHDRAWALS/DEBITS

DATE	AMOUNT	DESCRIPTION	REFERENCE NUMBER
03-10	7,000.00	BB&T ONLINE TRANSFER	111
		TRANSFER TO CHECKING	111
		0005162332327 03-10-08	111

DEPOSITS/OTHER CREDITS-

DATE	AMOUNT	DESCRIPTION	REFERENCE NUMBER
03-10	5,000.00	BB&T ONLINE TRANSFER	111
		TRANSFER FROM CHECKING	111
		0005162794134 03-10-08	111
03-10	5,000.00	BB&T ONLINE TRANSFER	111
		TRANSFER FROM CHECKING	111
		0005162793618 03-10-08	111
03-10	3,000.00	COUNTER DEPOSIT	5103205027
03-27	17,500.00	BB&T ONLINE TRANSFER	111
		TRANSFER FROM CHECKING	111
		0005162793618 03-27-08	111
03-27	17,500.00	BB&T ONLINE TRANSFER	111
		TRANSFER FROM CHECKING	111
		0005162794134 03-27-08	111

DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
03-10	12,649.27	03-27	47,649.27		

FOR ASSISTANCE, CALL (202) 628-7440 OR FOR BB&T PHONE24, CALL (800)BANKBBT (1-800-226-5228).

CHANGE OF ADDRESS If your address changes, please notify us in person or complete this form. Write your new address, sign and send this form to your BB&T office, include it with your next deposit or mail to P.O. Box 1489, Lumberton, NC 28359.

Name(s)_____

Street_____

City_____ State_____ Zip_____ Phone Number_____

Signature_____ Date_____

☐ Change the address for all my accounts.

If you have multiple accounts but do not wish this address change to affect them, please see a Customer Service Representative regarding this request.

TO BALANCE YOUR ACCOUNT

1. Record in your transaction register items on this statement that haven't been recorded, such as BB&T 24 transactions, BB&T 24 Check Card transactions, Constant Credit advances, automatic transfers, preauthorized drafts, service charges, interest credits and other transactions.
2. In your transaction register, mark off all checks and debits/withdrawals paid as shown on front of statement.
3. Account for any transactions which weren't recorded on this statement.
   - A. In the outstanding Checks/Debits area (section A), list checks or debits/withdrawals that don't appear on this statement.
   - B. In the outstanding Deposits/Credits area (section B), list any deposits or credits that don't appear on this statement.
4. Write in the statement ending balance shown on this statement. $_____
5. Add the amount of outstanding Deposits/Credits (from Step 3B). $_____
6. Total lines 4 and 5. $_____
7. Subtract amount of outstanding Checks/Debits (from Step 3A). $_____
8. This is your adjusted statement balance. This balance should agree with your current register balance. $_____

If your adjusted statement balance (line 8) does not agree with your transaction register balance:

- Review last month's reconcilement to make sure any differences were corrected.
- Make sure all deposits shown on this statement are included in your register balance.
- Check addition and subtraction in your register and in this month's reconcilement.

If you think your statement is incorrect, or if you need more information about a transaction on your statement, please contact the Customer Service Representative at your local BB&T office.

A. OUTSTANDING CHECKS/DEBITS	
CHECK NO.	AMOUNT
TOTAL AMOUNT	$

B. OUTSTANDING DEPOSITS/CREDITS	
DATE	AMOUNT
TOTAL AMOUNT	$

NOTE: All deposits which are received by the bank on a Saturday, Sunday, holiday or after 2:00 pm on a business day will be treated as having been received on the next business day.

MEMBER FDIC

IMPORTANT INFORMATION ABOUT YOUR CONSTANT CREDIT ACCOUNT

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average Daily Balance." The **FINANCE CHARGE** is calculated by applying the "Daily Periodic Rate" to the "Average Daily Balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average Daily Balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the "Daily Balance." Then we add all the Daily Balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average Daily Balance."

BILLING RIGHTS SUMMARY

In Case of Errors or Questions About Your Constant Credit Statement

If you think your statement is wrong, or if you need more information about a transaction on your statement, write us on a separate sheet at the following address: BB&T Bankcard & Merchant Services, P.O. Box 200, Wilson, NC 27894-0200, or visit your local BB&T office as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUND TRANSFERS

Telephone us at 1-800-682-6921 or write Electronic Banking Department, 100-99-04-10, P.O. Box 996, Wilson, NC 27894-0996 as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- **Tell us your name and account number (if any).**
- **Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.**
- **Tell us the dollar amount of the suspected error.**

We will investigate your complaint and correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occured, so that you will have the use of the money during the time it takes us to complete our investigation.

If you have arranged for direct deposits to your account, you can call us at the number above to find out if the deposit has been made.

MAIL IN DEPOSITS

If you wish to mail in a deposit, please send a deposit ticket and check to your local BB&T branch. Please do not send cash.

*** Slip Sheet ***

Document

BB&T

BB&T - DISTRICT OF COLUMBIA

STATEMENT DATE
04-30-08

410-08-01-00 12208 0 C 001 26 50 03 0005162778635
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

FREE BUSINESS CHECKING-MM **ACCOUNT NUMBER 0005162778635**

-ACCOUNT SUMMARY-

PREVIOUS BALANCE AS OF 03-31-08		47,649.27
1 DEPOSITS/CREDITS	3,000.00+	
7 CHECKS PAID	43,707.18-	
0 WITHDRAWALS/DEBITS	.00-	
SERVICE CHARGE	.00-	
NEW BALANCE AS OF 04-30-08		**6,942.09**

-CHECKS PAID-

DATE	CHECK NUMBER	AMOUNT	REFERENCE NUMBER	DATE	CHECK NUMBER	AMOUNT	REFERENCE NUMBER
04-01	1005	1,516.28	2808409755	04-22	1009	200.00	2905325045
04-03	1006	29,073.40	2904468948		****		
04-21	1007	217.50	2903954121	04-08	985003	6,250.00	2800810186
04-22	1008	200.00	2905325046	04-08	985004	6,250.00	2800810185

**** INDICATES A SKIP IN SEQUENTIAL CHECK NUMBERS

DEPOSITS/OTHER CREDITS

DATE	AMOUNT	DESCRIPTION	REFERENCE NUMBER
04-08	3,000.00	COUNTER DEPOSIT	5201829477

DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
04-01	46,132.99	04-08	7,559.59	04-22	6,942.09
04-03	17,059.59	04-21	7,342.09		

FOR ASSISTANCE, CALL (202) 628-7440 OR FOR BB&T PHONE24, CALL (800)BANKBBT (1-800-226-5228).

CHANGE OF ADDRESS If your address changes, please notify us in person or complete this form. Write your new address, sign and send this form to your BB&T office, include it with your next deposit or mail to P.O. Box 1489, Lumberton, NC 28359.

Name(s)_____

Street _____

City _____ State _____ Zip _____ Phone Number _____

Signature _____ Date _____

☐ Change the address for all my accounts.

If you have multiple accounts but do not wish this address change to affect them, please see a Customer Service Representative regarding this request.

TO BALANCE YOUR ACCOUNT

1. Record in your transaction register items on this statement that haven't been recorded, such as BB&T 24 transactions, BB&T 24 Check Card transactions, Constant Credit advances, automatic transfers, preauthorized drafts, service charges, interest credits and other transactions.
2. In your transaction register, mark off all checks and debits/withdrawals paid as shown on front of statement.
3. Account for any transactions which weren't recorded on this statement.
   - A. In the outstanding Checks/Debits area (section A), list checks or debits/withdrawals that don't appear on this statement.
   - B. In the outstanding Deposits/Credits area (section B), list any deposits or credits that don't appear on this statement.
4. Write in the statement ending balance shown on this statement. $_____
5. Add the amount of outstanding Deposits/Credits (from Step 3B). $_____
6. Total lines 4 and 5. $_____
7. Subtract amount of outstanding Checks/Debits (from Step 3A). $_____
8. This is your adjusted statement balance. This balance should agree with your current register balance. $_____

If your adjusted statement balance (line 8) does not agree with your transaction register balance:

- Review last month's reconcilement to make sure any differences were corrected.
- Make sure all deposits shown on this statement are included in your register balance.
- Check addition and subtraction in your register and in this month's reconcilement.

If you think your statement is incorrect, or if you need more information about a transaction on your statement, please contact the Customer Service Representative at your local BB&T office.

A. OUTSTANDING CHECKS/DEBITS	
CHECK NO.	AMOUNT
TOTAL AMOUNT	$

B. OUTSTANDING DEPOSITS/CREDITS	
DATE	AMOUNT
TOTAL AMOUNT	$

NOTE: All deposits which are received by the bank on a Saturday, Sunday, holiday or after 2:00 pm on a business day will be treated as having been received on the next business day.

MEMBER FDIC

IMPORTANT INFORMATION ABOUT YOUR CONSTANT CREDIT ACCOUNT

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average Daily Balance." The **FINANCE CHARGE** is calculated by applying the "Daily Periodic Rate" to the "Average Daily Balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average Daily Balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE.** This gives us the "Daily Balance." Then we add all the Daily Balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average Daily Balance."

BILLING RIGHTS SUMMARY

In Case of Errors or Questions About Your Constant Credit Statement

If you think your statement is wrong, or if you need more information about a transaction on your statement, write us on a separate sheet at the following address: BB&T Bankcard & Merchant Services, P.O. Box 200, Wilson, NC 27894-0200, or visit your local BB&T office as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUND TRANSFERS

Telephone us at 1-800-682-6921 or write Electronic Banking Department, 100-99-04-10, P.O. Box 996, Wilson, NC 27894-0996 as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- **Tell us your name and account number (if any).**
- **Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.**
- **Tell us the dollar amount of the suspected error.**

We will investigate your complaint and correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occured, so that you will have the use of the money during the time it takes us to complete our investigation.

If you have arranged for direct deposits to your account, you can call us at the number above to find out if the deposit has been made.

MAIL IN DEPOSITS

If you wish to mail in a deposit, please send a deposit ticket and check to your local BB&T branch. Please do not send cash.

*** Slip Sheet ***

Document

BB&T

BB&T - DISTRICT OF COLUMBIA

STATEMENT DATE
05-30-08

410-08-01-00 12208 0 C 001 26 50 03 0005162778635
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

FREE BUSINESS CHECKING-NM **ACCOUNT NUMBER 0005162778635**

-ACCOUNT SUMMARY-

PREVIOUS BALANCE AS OF 04-30-08		6,942.09
1 DEPOSITS/CREDITS	3,000.00+	
1 CHECKS PAID	6,250.00-	
0 WITHDRAWALS/DEBITS	.00-	
SERVICE CHARGE	.00-	
NEW BALANCE AS OF 05-30-08		3,692.09

-CHECKS PAID-

DATE	CHECK NUMBER	AMOUNT	REFERENCE NUMBER	DATE	CHECK NUMBER	AMOUNT	REFERENCE NUMBER
05-07	985005	6,250.00	2806487767				

DEPOSITS/OTHER CREDITS

DATE	AMOUNT	DESCRIPTION	REFERENCE NUMBER
05-07	3,000.00	COUNTER DEPOSIT	5107264133

DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
05-07	3,692.09				

FOR ASSISTANCE, CALL (202) 628-7440 OR FOR BB&T PHONE24, CALL (800)BANKBBT (1-800-226-5228).

CHANGE OF ADDRESS If your address changes, please notify us in person or complete this form. Write your new address, sign and send this form to your BB&T office, include it with your next deposit or mail to P.O. Box 1489, Lumberton, NC 28359.

Name(s)_____

Street_____

City_____ State_____ Zip_____ Phone Number_____

Signature_____ Date_____

☐ Change the address for all my accounts.

If you have multiple accounts but do not wish this address change to affect them, please see a Customer Service Representative regarding this request.

TO BALANCE YOUR ACCOUNT

1. Record in your transaction register items on this statement that haven't been recorded, such as BB&T 24 transactions, BB&T 24 Check Card transactions, Constant Credit advances, automatic transfers, preauthorized drafts, service charges, interest credits and other transactions.
2. In your transaction register, mark off all checks and debits/withdrawals paid as shown on front of statement.
3. Account for any transactions which weren't recorded on this statement.
   - **A.** In the outstanding Checks/Debits area (section A), list checks or debits/withdrawals that don't appear on this statement.
   - **B.** In the outstanding Deposits/Credits area (section B), list any deposits or credits that don't appear on this statement.
4. Write in the statement ending balance shown on this statement. $_____
5. Add the amount of outstanding Deposits/Credits (from Step 3B). $_____
6. Total lines 4 and 5. $_____
7. Subtract amount of outstanding Checks/Debits (from Step 3A). $_____
8. This is your adjusted statement balance. This balance should agree with your current register balance. $_____

If your adjusted statement balance (line 8) does not agree with your transaction register balance:

- Review last month's reconcilement to make sure any differences were corrected.
- Make sure all deposits shown on this statement are included in your register balance.
- Check addition and subtraction in your register and in this month's reconcilement.

If you think your statement is incorrect, or if you need more information about a transaction on your statement, please contact the Customer Service Representative at your local BB&T office.

A. OUTSTANDING CHECKS/DEBITS	
CHECK NO.	AMOUNT
TOTAL AMOUNT	$

B. OUTSTANDING DEPOSITS/CREDITS	
DATE	AMOUNT
TOTAL AMOUNT	$

NOTE: All deposits which are received by the bank on a Saturday, Sunday, holiday or after 2:00 pm on a business day will be treated as having been received on the next business day.

MEMBER FDIC

IMPORTANT INFORMATION ABOUT YOUR CONSTANT CREDIT ACCOUNT

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average Daily Balance." The **FINANCE CHARGE** is calculated by applying the "Daily Periodic Rate" to the "Average Daily Balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average Daily Balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE.** This gives us the "Daily Balance." Then we add all the Daily Balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average Daily Balance."

BILLING RIGHTS SUMMARY

In Case of Errors or Questions About Your Constant Credit Statement

If you think your statement is wrong, or if you need more information about a transaction on your statement, write us on a separate sheet at the following address: BB&T Bankcard & Merchant Services, P.O. Box 200, Wilson, NC 27894-0200, or visit your local BB&T office as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUND TRANSFERS

Telephone us at 1-800-682-6921 or write Electronic Banking Department, 100-99-04-10, P.O. Box 996, Wilson, NC 27894-0996 as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- **Tell us your name and account number (if any).**
- **Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.**
- **Tell us the dollar amount of the suspected error.**

We will investigate your complaint and correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occured, so that you will have the use of the money during the time it takes us to complete our investigation.

If you have arranged for direct deposits to your account, you can call us at the number above to find out if the deposit has been made.

MAIL IN DEPOSITS

If you wish to mail in a deposit, please send a deposit ticket and check to your local BB&T branch. Please do not send cash.

*** Slip Sheet ***

Document

BB&T

BB&T - DISTRICT OF COLUMBIA

STATEMENT DATE
06-30-08

410-08-01-00 12208 D C 001 26 50 03 0005162778635
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

FREE BUSINESS CHECKING-MM ACCOUNT NUMBER 0005162778635

ACCOUNT SUMMARY

PREVIOUS BALANCE AS OF 05-30-08		3,692.09
3 DEPOSITS/CREDITS	15,000.00+	
1 CHECKS PAID	6,250.00-	
0 WITHDRAWALS/DEBITS	.00-	
SERVICE CHARGE	.00-	
NEW BALANCE AS OF 06-30-08		12,442.09

CHECKS PAID

DATE	CHECK NUMBER	AMOUNT	REFERENCE NUMBER	DATE	CHECK NUMBER	AMOUNT	REFERENCE NUMBER
06-10	985006	6,250.00	2804028100				

DEPOSITS/OTHER CREDITS

DATE	AMOUNT	DESCRIPTION	REFERENCE NUMBER
06-03	3,000.00	COUNTER DEPOSIT	5305643528
06-24	6,000.00	BB&T ONLINE TRANSFER	111
		TRANSFER FROM CHECKING	111
		0005162793618 06-24-08	111
06-24	6,000.00	BB&T ONLINE TRANSFER	111
		TRANSFER FROM CHECKING	111
		0005162794134 06-24-08	111

DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
06-03	6,692.09	06-10	442.09	06-24	12,442.09

FOR ASSISTANCE, CALL (202) 628-7440 OR FOR BB&T PHONE24, CALL (800)BANKBBT (1-800-226-5228).

CHANGE OF ADDRESS If your address changes, please notify us in person or complete this form. Write your new address, sign and send this form to your BB&T office, include it with your next deposit or mail to P.O. Box 1489, Lumberton, NC 28359.

Name(s)_____

Street_____

City_____ State_____ Zip_____ Phone Number_____

Signature_____ Date_____

☐ Change the address for all my accounts. If you have multiple accounts but do not wish this address change to affect them, please see a Customer Service Representative regarding this request.

TO BALANCE YOUR ACCOUNT

1. Record in your transaction register items on this statement that haven't been recorded, such as BB&T 24 transactions, BB&T 24 Check Card transactions, Constant Credit advances, automatic transfers, preauthorized drafts, service charges, interest credits and other transactions.
2. In your transaction register, mark off all checks and debits/withdrawals paid as shown on front of statement.
3. Account for any transactions which weren't recorded on this statement.
   A. In the outstanding Checks/Debits area (section A), list checks or debits/withdrawals that don't appear on this statement.
   B. In the outstanding Deposits/Credits area (section B), list any deposits or credits that don't appear on this statement.
4. Write in the statement ending balance shown on this statement. $_____
5. Add the amount of outstanding Deposits/Credits (from Step 3B). $_____
6. Total lines 4 and 5. $_____
7. Subtract amount of outstanding Checks/Debits (from Step 3A). $_____
8. This is your adjusted statement balance. This balance should agree with your current register balance. $_____

If your adjusted statement balance (line 8) does not agree with your transaction register balance:

- Review last month's reconcilement to make sure any differences were corrected.
- Make sure all deposits shown on this statement are included in your register balance.
- Check addition and subtraction in your register and in this month's reconcilement.

If you think your statement is incorrect, or if you need more information about a transaction on your statement, please contact the Customer Service Representative at your local BB&T office.

A. OUTSTANDING CHECKS/DEBITS	
CHECK NO.	AMOUNT
TOTAL AMOUNT	$

B. OUTSTANDING DEPOSITS/CREDITS	
DATE	AMOUNT
TOTAL AMOUNT	$

NOTE: All deposits which are received by the bank on a Saturday, Sunday, holiday or after 2:00 pm on a business day will be treated as having been received on the next business day.

MEMBER FDIC

IMPORTANT INFORMATION ABOUT YOUR CONSTANT CREDIT ACCOUNT

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average Daily Balance." The **FINANCE CHARGE** is calculated by applying the "Daily Periodic Rate" to the "Average Daily Balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average Daily Balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE.** This gives us the "Daily Balance." Then we add all the Daily Balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average Daily Balance."

BILLING RIGHTS SUMMARY

In Case of Errors or Questions About Your Constant Credit Statement

If you think your statement is wrong, or if you need more information about a transaction on your statement, write us on a separate sheet at the following address: BB&T Bankcard & Merchant Services, P.O. Box 200, Wilson, NC 27894-0200, or visit your local BB&T office as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUND TRANSFERS

Telephone us at 1-800-682-6921 or write Electronic Banking Department, 100-99-04-10, P.O. Box 996, Wilson, NC 27894-0996 as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- **Tell us your name and account number (if any).**
- **Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.**
- **Tell us the dollar amount of the suspected error.**

We will investigate your complaint and correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occured, so that you will have the use of the money during the time it takes us to complete our investigation.

If you have arranged for direct deposits to your account, you can call us at the number above to find out if the deposit has been made.

MAIL IN DEPOSITS

If you wish to mail in a deposit, please send a deposit ticket and check to your local BB&T branch. Please do not send cash.

*** Slip Sheet ***

Document

BB&T

BB&T - DISTRICT OF COLUMBIA

STATEMENT DATE
07-31-08

410-08-01-00 12208 0 C 001 26 50 03 0005162778635
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

FREE BUSINESS CHECKING-MM **ACCOUNT NUMBER 0005162778635**

-ACCOUNT SUMMARY-

PREVIOUS BALANCE AS OF 06-30-08		12,442.09
3 DEPOSITS/CREDITS	18,000.00+	
7 CHECKS PAID	11,368.52-	
2 WITHDRAWALS/DEBITS	450.00-	
SERVICE CHARGE	.00-	
NEW BALANCE AS OF 07-31-08		**18,623.57**

-CHECKS PAID-

DATE	CHECK NUMBER	AMOUNT	REFERENCE NUMBER	DATE	CHECK NUMBER	AMOUNT	REFERENCE NUMBER
07-03	1012	200.00	2904534428	07-25	1016	14.30	5300420407
07-03	1013	200.00	2904534429	07-23	1017	1,000.00	2803069389
07-22	1014	249.72	2904514281		****		
07-21	1015	3,454.50	2904046088	07-17	985007	6,250.00	2801941969

**** INDICATES A SKIP IN SEQUENTIAL CHECK NUMBERS

-OTHER WITHDRAWALS/DEBITS

DATE	AMOUNT	DESCRIPTION	REFERENCE NUMBER
07-01	225.00	BB&T ONLINE TRANSFER	111
		TRANSFER TO CHECKING	111
		0005162332327 07-01-08	111
07-01	225.00	BB&T ONLINE TRANSFER	111
		TRANSFER TO CHECKING	111
		0005162332327 07-01-08	111

DEPOSITS/OTHER CREDITS-

DATE	AMOUNT	DESCRIPTION	REFERENCE NUMBER
07-09	3,000.00	COUNTER DEPOSIT	5305514250
07-24	7,500.00	BB&T ONLINE TRANSFER	111
		TRANSFER FROM CHECKING	111
		0005162794134 07-24-08	111
07-24	7,500.00	BB&T ONLINE TRANSFER	111
		TRANSFER FROM CHECKING	111
		0005162793618 07-24-08	111

DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
07-01	11,992.09	07-17	8,342.09	07-23	3,637.87
07-03	11,592.09	07-21	4,887.59	07-24	18,637.87
07-09	14,592.09	07-22	4,637.87	07-25	18,623.57

FOR ASSISTANCE, CALL (202) 628-7440 OR FOR BB&T PHONE24, CALL (800)BANKBBT (1-800-226-5228).

CHANGE OF ADDRESS If your address changes, please notify us in person or complete this form. Write your new address, sign and send this form to your BB&T office, include it with your next deposit or mail to P.O. Box 1489, Lumberton, NC 28359.

Name(s)_____

Street _____

City _____ State _____ Zip _____ Phone Number _____

Signature _____ Date _____

☐ Change the address for all my accounts.

If you have multiple accounts but do not wish this address change to affect them, please see a Customer Service Representative regarding this request.

TO BALANCE YOUR ACCOUNT

1. Record in your transaction register items on this statement that haven't been recorded, such as BB&T 24 transactions, BB&T 24 Check Card transactions, Constant Credit advances, automatic transfers, preauthorized drafts, service charges, interest credits and other transactions.
2. In your transaction register, mark off all checks and debits/withdrawals paid as shown on front of statement.
3. Account for any transactions which weren't recorded on this statement.
   A. In the outstanding Checks/Debits area (section A), list checks or debits/withdrawals that don't appear on this statement.
   B. In the outstanding Deposits/Credits area (section B), list any deposits or credits that don't appear on this statement.
4. Write in the statement ending balance shown on this statement. $_____
5. Add the amount of outstanding Deposits/Credits (from Step 3B). $_____
6. Total lines 4 and 5. $_____
7. Subtract amount of outstanding Checks/Debits (from Step 3A). $_____
8. This is your adjusted statement balance. This balance should agree with your current register balance. $_____

If your adjusted statement balance (line 8) does not agree with your transaction register balance:

- Review last month's reconcilement to make sure any differences were corrected.
- Make sure all deposits shown on this statement are included in your register balance.
- Check addition and subtraction in your register and in this month's reconcilement.

If you think your statement is incorrect, or if you need more information about a transaction on your statement, please contact the Customer Service Representative at your local BB&T office.

A. OUTSTANDING CHECKS/DEBITS	
CHECK NO.	AMOUNT
TOTAL AMOUNT	$

B. OUTSTANDING DEPOSITS/CREDITS	
DATE	AMOUNT
TOTAL AMOUNT	$

NOTE: All deposits which are received by the bank on a Saturday, Sunday, holiday or after 2:00 pm on a business day will be treated as having been received on the next business day.

MEMBER FDIC

IMPORTANT INFORMATION ABOUT YOUR CONSTANT CREDIT ACCOUNT

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average Daily Balance." The **FINANCE CHARGE** is calculated by applying the "Daily Periodic Rate" to the "Average Daily Balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average Daily Balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the "Daily Balance." Then we add all the Daily Balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average Daily Balance."

BILLING RIGHTS SUMMARY

In Case of Errors or Questions About Your Constant Credit Statement

If you think your statement is wrong, or if you need more information about a transaction on your statement, write us on a separate sheet at the following address: BB&T Bankcard & Merchant Services, P.O. Box 200, Wilson, NC 27894-0200, or visit your local BB&T office as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUND TRANSFERS

Telephone us at 1-800-682-6921 or write Electronic Banking Department, 100-99-04-10, P.O. Box 996, Wilson, NC 27894-0996 as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- **Tell us your name and account number (if any).**
- **Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.**
- **Tell us the dollar amount of the suspected error.**

We will investigate your complaint and correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occured, so that you will have the use of the money during the time it takes us to complete our investigation.

If you have arranged for direct deposits to your account, you can call us at the number above to find out if the deposit has been made.

MAIL IN DEPOSITS

If you wish to mail in a deposit, please send a deposit ticket and check to your local BB&T branch. Please do not send cash.

*** Slip Sheet ***

Document

BB&T

BB&T - DISTRICT OF COLUMBIA

STATEMENT DATE
08-29-08

410-08-01-00 12208 0 C 001 26 50 03 0005162778635
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

FREE BUSINESS CHECKING-MM ACCOUNT NUMBER 0005162778635

-ACCOUNT SUMMARY-

PREVIOUS BALANCE AS OF 07-31-08		18,623.57
1 DEPOSITS/CREDITS	3,000.00+	
2 CHECKS PAID	8,168.00-	
0 WITHDRAWALS/DEBITS	.00-	
SERVICE CHARGE	.00-	
NEW BALANCE AS OF 08-29-08		13,455.57

-CHECKS PAID-

DATE	CHECK NUMBER	AMOUNT	REFERENCE NUMBER	DATE	CHECK NUMBER	AMOUNT	REFERENCE NUMBER
08-18	1019 ****	1,918.00	2908409131	08-07	985008	6,250.00	2805810754

**** INDICATES A SKIP IN SEQUENTIAL CHECK NUMBERS

DEPOSITS/OTHER CREDITS-

DATE	AMOUNT	DESCRIPTION	REFERENCE NUMBER
08-12	3,000.00	COUNTER DEPOSIT	5100843466

DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
08-07	12,373.57	08-12	15,373.57	08-18	13,455.57

FOR ASSISTANCE, CALL (202) 628-7440 OR FOR BB&T PHONE24, CALL (800)BANKBBT (1-800-226-5228).

CHANGE OF ADDRESS If your address changes, please notify us in person or complete this form. Write your new address, sign and send this form to your BB&T office, include it with your next deposit or mail to P.O. Box 1489, Lumberton, NC 28359.

Name(s)_____

Street _____

City _____ State _____ Zip _____ Phone Number _____

Signature _____ Date _____

☐ Change the address for all my accounts.

If you have multiple accounts but do not wish this address change to affect them, please see a Customer Service Representative regarding this request.

TO BALANCE YOUR ACCOUNT

1. Record in your transaction register items on this statement that haven't been recorded, such as BB&T 24 transactions, BB&T 24 Check Card transactions, Constant Credit advances, automatic transfers, preauthorized drafts, service charges, interest credits and other transactions.
2. In your transaction register, mark off all checks and debits/withdrawals paid as shown on front of statement.
3. Account for any transactions which weren't recorded on this statement.
   - A. In the outstanding Checks/Debits area (section A), list checks or debits/withdrawals that don't appear on this statement.
   - B. In the outstanding Deposits/Credits area (section B), list any deposits or credits that don't appear on this statement.
4. Write in the statement ending balance shown on this statement. $_____
5. Add the amount of outstanding Deposits/Credits (from Step 3B). $_____
6. Total lines 4 and 5. $_____
7. Subtract amount of outstanding Checks/Debits (from Step 3A). $_____
8. This is your adjusted statement balance. This balance should agree with your current register balance. $_____

If your adjusted statement balance (line 8) does not agree with your transaction register balance:

- Review last month's reconcilement to make sure any differences were corrected.
- Make sure all deposits shown on this statement are included in your register balance.
- Check addition and subtraction in your register and in this month's reconcilement.

If you think your statement is incorrect, or if you need more information about a transaction on your statement, please contact the Customer Service Representative at your local BB&T office.

A. OUTSTANDING CHECKS/DEBITS	
CHECK NO.	AMOUNT
TOTAL AMOUNT	$

B. OUTSTANDING DEPOSITS/CREDITS	
DATE	AMOUNT
TOTAL AMOUNT	$

NOTE: All deposits which are received by the bank on a Saturday, Sunday, holiday or after 2:00 pm on a business day will be treated as having been received on the next business day.

MEMBER FDIC

IMPORTANT INFORMATION ABOUT YOUR CONSTANT CREDIT ACCOUNT

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average Daily Balance." The **FINANCE CHARGE** is calculated by applying the "Daily Periodic Rate" to the "Average Daily Balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average Daily Balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE.** This gives us the "Daily Balance." Then we add all the Daily Balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average Daily Balance."

BILLING RIGHTS SUMMARY

In Case of Errors or Questions About Your Constant Credit Statement

If you think your statement is wrong, or if you need more information about a transaction on your statement, write us on a separate sheet at the following address: BB&T Bankcard & Merchant Services, P.O. Box 200, Wilson, NC 27894-0200, or visit your local BB&T office as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUND TRANSFERS

Telephone us at 1-800-682-6921 or write Electronic Banking Department, 100-99-04-10, P.O. Box 996, Wilson, NC 27894-0996 as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- **Tell us your name and account number (if any).**
- **Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.**
- **Tell us the dollar amount of the suspected error.**

We will investigate your complaint and correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occured, so that you will have the use of the money during the time it takes us to complete our investigation.

If you have arranged for direct deposits to your account, you can call us at the number above to find out if the deposit has been made.

MAIL IN DEPOSITS

If you wish to mail in a deposit, please send a deposit ticket and check to your local BB&T branch. Please do not send cash.

*** Slip Sheet ***

Document

BB&T

BB&T - DISTRICT OF COLUMBIA

STATEMENT DATE
09-30-08

410-08-01-00 12208 0 C 001 26 50 03 0005162778635
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

FREE BUSINESS CHECKING-MM **ACCOUNT NUMBER 0005162778635**

-ACCOUNT SUMMARY-

PREVIOUS BALANCE AS OF 08-29-08		13,455.57
3 DEPOSITS/CREDITS	33,000.00+	
3 CHECKS PAID	35,673.40-	
0 WITHDRAWALS/DEBITS	.00-	
SERVICE CHARGE	.00-	
NEW BALANCE AS OF 09-30-08		**10,782.17**

-CHECKS PAID-

DATE	CHECK NUMBER	AMOUNT	REFERENCE NUMBER	DATE	CHECK NUMBER	AMOUNT	REFERENCE NUMBER
09-19	1020	29,073.40	2906788470		****		
09-30	1021	350.00	2806970260	09-15	985009	6,250.00	2803852180

**** INDICATES A SKIP IN SEQUENTIAL CHECK NUMBERS

DEPOSITS/OTHER CREDITS

DATE	AMOUNT	DESCRIPTION	REFERENCE NUMBER
09-08	15,000.00	BB&T ONLINE TRANSFER	111
		TRANSFER FROM CHECKING	111
		0005162793618 09-08-08	111
09-08	15,000.00	BB&T ONLINE TRANSFER	111
		TRANSFER FROM CHECKING	111
		0005162794134 09-08-08	111
09-10	3,000.00	COUNTER DEPOSIT	5300709019

DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
09-08	43,455.57	09-15	40,205.57	09-30	10,782.17
09-10	46,455.57	09-19	11,132.17		

FOR ASSISTANCE, CALL (202) 628-7440 OR FOR BB&T PHONE24, CALL (800)BANKBBT (1-800-226-5228).

CHANGE OF ADDRESS If your address changes, please notify us in person or complete this form. Write your new address, sign and send this form to your BB&T office, include it with your next deposit or mail to P.O. Box 1489, Lumberton, NC 28359.

Name(s)_____

Street_____

City_____ State_____ Zip_____ Phone Number_____

Signature_____ Date_____

☐ Change the address for all my accounts.

If you have multiple accounts but do not wish this address change to affect them, please see a Customer Service Representative regarding this request.

TO BALANCE YOUR ACCOUNT

1. Record in your transaction register items on this statement that haven't been recorded, such as BB&T 24 transactions, BB&T 24 Check Card transactions, Constant Credit advances, automatic transfers, preauthorized drafts, service charges, interest credits and other transactions.
2. In your transaction register, mark off all checks and debits/withdrawals paid as shown on front of statement.
3. Account for any transactions which weren't recorded on this statement.
   A. In the outstanding Checks/Debits area (section A), list checks or debits/withdrawals that don't appear on this statement.
   B. In the outstanding Deposits/Credits area (section B), list any deposits or credits that don't appear on this statement.
4. Write in the statement ending balance shown on this statement. $_____
5. Add the amount of outstanding Deposits/Credits (from Step 3B). $_____
6. Total lines 4 and 5. $_____
7. Subtract amount of outstanding Checks/Debits (from Step 3A). $_____
8. This is your adjusted statement balance. This balance should agree with your current register balance. $_____

If your adjusted statement balance (line 8) does not agree with your transaction register balance:

- Review last month's reconcilement to make sure any differences were corrected.
- Make sure all deposits shown on this statement are included in your register balance.
- Check addition and subtraction in your register and in this month's reconcilement.

If you think your statement is incorrect, or if you need more information about a transaction on your statement, please contact the Customer Service Representative at your local BB&T office.

A. OUTSTANDING CHECKS/DEBITS	
CHECK NO.	AMOUNT
TOTAL AMOUNT	$

B. OUTSTANDING DEPOSITS/CREDITS	
DATE	AMOUNT
TOTAL AMOUNT	$

NOTE: All deposits which are received by the bank on a Saturday, Sunday, holiday or after 2:00 pm on a business day will be treated as having been received on the next business day.

MEMBER FDIC

IMPORTANT INFORMATION ABOUT YOUR CONSTANT CREDIT ACCOUNT

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average Daily Balance." The **FINANCE CHARGE** is calculated by applying the "Daily Periodic Rate" to the "Average Daily Balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average Daily Balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the "Daily Balance." Then we add all the Daily Balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average Daily Balance."

BILLING RIGHTS SUMMARY

In Case of Errors or Questions About Your Constant Credit Statement

If you think your statement is wrong, or if you need more information about a transaction on your statement, write us on a separate sheet at the following address: BB&T Bankcard & Merchant Services, P.O. Box 200, Wilson, NC 27894-0200, or visit your local BB&T office as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUND TRANSFERS

Telephone us at 1-800-682-6921 or write Electronic Banking Department, 100-99-04-10, P.O. Box 996, Wilson, NC 27894-0996 as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- **Tell us your name and account number (if any).**
- **Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.**
- **Tell us the dollar amount of the suspected error.**

We will investigate your complaint and correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occured, so that you will have the use of the money during the time it takes us to complete our investigation.

If you have arranged for direct deposits to your account, you can call us at the number above to find out if the deposit has been made.

MAIL IN DEPOSITS

If you wish to mail in a deposit, please send a deposit ticket and check to your local BB&T branch. Please do not send cash.

*** Slip Sheet ***

Document

		LaKritz Adler Real Estate	BB&T Routing Number: 054-001-547 (use for wires as		
		Bank Accounts	Eagle Routing Number: 055-003-298		
Verified	Bank	Account Name	Account Number	Reconcld 10/09	Bal 11/13/09

Redacted

x	BB&T	1920 8th Street LLC	5162-778-635	✓	346.67

Redacted

		LaKritz Adler Real Estate	BB&T Routing Number: 054-001-547 (use for wires as		
		Bank Accounts	Eagle Routing Number: 055-003-298		
Verified	Bank	Account Name	Account Number	Reconcld 10/09	Bal 11/13/09

Redacted

Redacted

*** Slip Sheet ***

Document

INTER-COMPANY BANK TRANSFER ADVICE

Date of Transfer: 7-15-09

From Account: Joshua Adler **Posted:** N/N

Amount of Transfer: $500.—

To Account: 1920 8th St LLC **Posted:** ✓

Confirmation #: 0046270448

Processed/Approved By:

Reason for Transfer:

_____ Loan

_____ Repay Loan

_____ Distribution to Member

_____ Other

✓ Investment of Capital by Member

_____

CONFIDENTIAL

LA 00001180

Messages Help Security Logoff

OVERVIEW | ACCOUNTS | TRANSFERS | BILL PAYMENT | STATEMENTS | CUSTOMER SERVICE

Make Single Transfer | Make Repeating Transfer | Scheduled Transfers | Transfer History

Make Single Transfer

Your transfer has been sent.

From: Joshua A Adler / $174.82
To: 1920 8th Street LLC / $1,050.65
Amount: $500.00
Date: 07/15/2009

Your reference # is **0046270448**.

OK

Online Support: 1-888-BBT-ONLINE (1-888-228-6654) **Credit Cards:** 1-800-476-4228

Copyright © 2009, Branch Banking and Trust Company. All Rights Reserved.

*** Slip Sheet ***

Document

INTER-COMPANY BANK TRANSFER ADVICE

Date of Transfer: 7.15.09

From Account: Robb Lakritz **Posted:** N/N

Amount of Transfer: $500.—

To Account: 1920 8th St LLC **Posted:** ✓

Confirmation #: 0046270383

Processed/Approved By:

Reason for Transfer:

_____ Loan

_____ Distribution to Member

✓ Investment of Capital by Member

_____ Repay Loan

_____ Other

_____

CONFIDENTIAL

LA 00001182

Messages Help Security Logoff

OVERVIEW | ACCOUNTS | TRANSFERS | BILL PAYMENT | STATEMENTS | CUSTOMER SERVICE

Make Single Transfer | Make Repeating Transfer | Scheduled Transfers | Transfer History

Make Single Transfer

Your transfer has been sent.

From: Robb M LaKritz / $174.82
To: 1920 8th Street LLC / $550.65
Amount: $500.00
Date: 07/15/2009

Your reference # is **0046270383**.

OK

Online Support: 1-888-BBT-ONLINE (1-888-228-6654) **Credit Cards:** 1-800-476-4228

Copyright © 2009, Branch Banking and Trust Company. All Rights Reserved.

*** Slip Sheet ***

Document

INTER-COMPANY BANK TRANSFER ADVICE

Date of Transfer: 6 19 09

From Account: Robert Lakritz **Posted:** N/N

Amount of Transfer: $300.—

To Account: 1920 8th St LLC **Posted:** ✓

Confirmation #: 0045160292

Processed/Approved By:

Reason for Transfer:

____ Loan

____ Distribution to Member

✓ Investment of Capital by Member

____ Repay Loan

____ Other

CONFIDENTIAL

LA 00001184

Messages Help Security Logoff

OVERVIEW | ACCOUNTS | TRANSFERS | BILL PAYMENT | STATEMENTS | CUSTOMER SERVICE

Make Single Transfer | Make Repeating Transfer | Scheduled Transfers | Transfer History

Make Single Transfer

Your transfer has been sent.

From: Robb M LaKritz / $174.81
To: 1920 8th Street LLC / $1,626.27
Amount: $300.00
Date: 06/19/2009

Your reference # is **0045160292**.

OK

Online Support: 1-888-BBT-ONLINE (1-888-228-6654) **Credit Cards:** 1-800-476-4228

Copyright © 2009, Branch Banking and Trust Company. All Rights Reserved.

*** Slip Sheet ***

Document

INTER-COMPANY BANK TRANSFER ADVICE

Date of Transfer: 1-30-09

From Account: 1920 8th St LLC **Posted:** ✓

Amount of Transfer: $9,500.—

To Account: Joshua Adler **Posted:** N/A

Confirmation #: 0039183576

Processed/Approved By: per Robb

Reason for Transfer:

_____ Loan

✓ Distribution to Member of 1920 8th St Venture LLC (Member)

_____ Investment of Capital by Member

_____ Repay Loan

_____ Other

_____

CONFIDENTIAL

LA 00001186

Messages Help Security Logoff

OVERVIEW | ACCOUNTS | TRANSFERS | BILL PAYMENT | STATEMENTS | CUSTOMER SERVICE

Make Single Transfer | Make Repeating Transfer | Scheduled Transfers | Transfer History

Make Single Transfer

Your transfer has been sent.

From: 1920 8th Street LLC / $1,189.67
To: Joshua A Adler / $9,974.71
Amount: $9,500.00
Date: 01/30/2009

Your reference # is **0039183576**.

OK

For assistance, call BB&T OnLine Support at 1-888-BBT-ONLINE (1-888-228-6654).

CONFIDENTIAL LA 00001187

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017229

*** Slip Sheet ***

Document

INTER-COMPANY BANK TRANSFER ADVICE

Date of Transfer: 1-30-09

From Account: 1920 8th St LLC **Posted:** ✓

Amount of Transfer: $9,500.-

To Account: Robb LaKind **Posted:** N/N

Confirmation #: 0039183488

Processed/Approved By: per Robb

Reason for Transfer:

_____ Loan

_____ Repay Loan

✓ Distribution to Member of 1920 8th St Ventures LLC (Member)

_____ Other

_____ Investment of Capital by Member

CONFIDENTIAL

LA 00001188

Messages Help Security Logoff

OVERVIEW | ACCOUNTS | TRANSFERS | BILL PAYMENT | STATEMENTS | CUSTOMER SERVICE

Make Single Transfer | Make Repeating Transfer | Scheduled Transfers | Transfer History

Make Single Transfer

Your transfer has been sent.

From: 1920 8th Street LLC / $10,689.67
To: Robb M LaKritz / $9,974.72
Amount: $9,500.00
Date: 01/30/2009

Your reference # is **0039183488**.

OK

For assistance, call BB&T OnLine Support at 1-888-BBT-ONLINE (1-888-228-6654).

CONFIDENTIAL LA 00001189

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017232

*** Slip Sheet ***

Document

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

	Dollars	Cents
Currency/Coins		
Checks TLG	3000	.00
Total	3000	.00
Less: Cash Received		
Total Deposit $	3000	.00

Deposit To The Account Of (Please print full name): 1920 8TH STREET LLC

Address:

City, State, Zip Code:

Date: 4-28-09

Please Sign Here If Cash Received:

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

Please enter your account number below

* 5162778635

→ USE FOR 10 DIGIT ACCOUNT NUMBER

F0008000260 (Rev. 09/15/03)

APPERSON PRINT MANAGEMENT SERVICES

APM 06/08

⑆053101121⑆ ENTERED 33

TIHISHA GIRMAI PARKING OPERATION ACCOUNT
7111 HUNTLEY CREEK PL.
ALEXANDRIA, VA 22306

1428

65-7198/2550
88

4/27/2009 Date

Pay to the Order of 1920 8th St LLC $ 3,000 00/100

Three thousand and 00/100 Dollars

Security Features Details on Back.

CHEVY CHASE BANK
BETHESDA, MARYLAND 20814

For April Tihisha Girmai

⑆255071981⑆ 3594301605⑈ 1428

Harland Clarke GUARDIAN SAFETY® BLUE

*** Slip Sheet ***

Document

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

		Dollars	Cents
Deposit To The Account Of (Please print full name) 1920 8TH STREET LLC	Currency/Coins		
Address	Checks TGP	3 000	00
City, State, Zip Code			
Date 3-26-09 / Please Sign Here If Cash Received	Total	3 000	00
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL	Less: Cash Received		
Please enter your account number below	Total Deposit $	3 000	00

* 5162778635

→ USE FOR 10 DIGIT ACCOUNT NUMBER

F0008000260 (Rev. 09/15/03)

APPERSON PRINT MANAGEMENT SERVICES

89666PC

APM 06/08

⑆053101121⑆ 33

ENTERED

TIHISHA GIRMAI PARKING OPERATION ACCOUNT
7111 HUNTLEY CREEK PL.
ALEXANDRIA, VA 22306

1427

03-24-2008 Date

65-7198/2550
68

Pay to the Order of 1920th 8th St. LLC $ 3,000 00/100

Three thousand and 00/100 only Dollars

Security Features Details on Back.

CHEVY CHASE BANK
BETHESDA, MARYLAND 20814

For Rent

Tihisha Girmai MP

⑆255071981⑆ 3594301605⑈ 1427

Harland Clarke

GUARDIAN SAFETY® BLUE

CONFIDENTIAL

LA 00001191

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017236

*** Slip Sheet ***

Document

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

		Dollars	Cents
Deposit To The Account Of (Please print full name) 1920 8TH STREET LLC	Currency/Coins		
Address	Checks TGP	3000	00
City, State, Zip Code			
Date 2-27-09 / Please Sign Here If Cash Received	Total	3000	00
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL	Less: Cash Received		
Please enter your account number below	Total Deposit $	3000	00

* 5162778635

→ USE FOR 10 DIGIT ACCOUNT NUMBER

APPERSON PRINT MANAGEMENT SERVICES

89666PC

957204

F0008000260
(Rev. 09/15/03)

APM 06/08

⑆053101121⑆ ENTERED 33

TIHISHA GIRMAI PARKING
OPERATION ACCOUNT
7111 HUNTLEY CREEK PL
ALEXANDRIA, VA 22306

1206

Date 2-24-2009

65-7198/2650
359

Pay to the Order of 1920 8th St LLC $ 3,000 00/100

Three thousand and 00/100 only Dollars

CHEVY CHASE BANK
BETHESDA, MARYLAND 20814

For Rent

Tihisha Girmai

⑆255071981⑆ 3594301605⑈ 1206

Clarke American

GUARDIAN SAFETY BLUE WORK

CONFIDENTIAL

LA 00001192

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017238

*** Slip Sheet ***

Document

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

Deposit To The Account Of (Please print full name)
1920 8TH STREET LLC

Address

City, State, Zip Code

Date 1/8/09

Please Sign Here If Cash Received

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

Please enter your account number below

* 5 1 6 2 7 7 8 6 3 5

→ USE FOR 10 DIGIT ACCOUNT NUMBER

F0008000260
(Rev. 09/15/03)

	Dollars	Cents
Currency/Coins		
Checks T.GRMALPUA	3,000	00
Total		
Less: Cash Received		
Total Deposit $	3,000	00

CLIENT COPY

2613722 C20943.034 00101 17:55 01/08/09
#0005162778635 DEPOSIT -$3,000.00

PM Transaction

CONFIDENTIAL

LA 00001193

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

Deposit To The Account Of (Please print full name)
1920 8TH STREET LLC

Address

City, State, Zip Code

Date 1/8/09

Please Sign Here If Cash Received

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

Please enter your account number below

	Dollars	Cents
Currency/Coins		
Checks		
T.GIRMAI P.O.A.	3000	00
Total		
Less: Cash Received		
Total Deposit $	3000	00

95720* 89665PC APPERSON PRINT MANAGEMENT SERVICES

F0008000260 (Rev. 09/15/03)

*5162778635

→ USE FOR 10 DIGIT ACCOUNT NUMBER

APM 06/08

⑆053101121⑆ ENTERED 33

TIHISHA GIRMAI PARKING OPERATION ACCOUNT
7111 HUNTLEY CREEK PL.
ALEXANDRIA, VA. 22306

1349

01-05-2009 Date

65-7198/2550
68

Pay to the Order of 1920 8th LLC $ 3,000.00/100

Three thousand and 00/100 only Dollars

Security Features Details on Back.

CHEVY CHASE BANK
BETHESDA, MARYLAND 20814

For Pay Tihisha Girmai MP

⑆255071981⑆ 3594301605⑈ 1349

Harland Clarke GUARDIAN SAFETY BLUE

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017241

*** Slip Sheet ***

Document

Tax Fax

Telecopier Transmittal
D.C. Office of Tax and Revenue
Real Property Tax Administration
Assessment Division
941 North Capitol Street, N.E., 4th Floor
Washington, D.C. 20002

Date: 10-14-08 **Time:** 1030

To: Petitioner of: 1920 / Medal Inc

From: Belinda Booth

Fax Number (Receiver): 202 882-0809

Telephone: 202-442-6740

Comments: BRPAA Responses for scheduled hearing 10/17/08 @ 4pm

Total Number Of Pages (Including Cover Sheet) 8

If a problem occurs with this transmission please call the sender at the above listed telephone number.

FAX NUMBER: 202-442-6796

Equipment: Cannon Laser Class 5500

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017243

Board of Real Property Assessments and Appeals

Appraiser's Summary Report

Tax Year 2009

Assessor: Gregory Glover
Square/Suffix/Lot: 0393 0046
Appeal of: MEDAL INC
Property Address: 1916 8TH ST NW

Date: 10/09/2008
Hearing: 10/17/2008 @ 04:00 pm

Estimated Market Value	Appraiser	Petitioner
Land	3,136,430	0
Improvements	6,640	0
Total	3,143,070	0

Property Owner's Complaint:

The Petitioner indicated that the basis for this appeal was equalization.

Assessor's Response SR for GG

The subject is a parking lot with a total C2B zoned land area of 11,320 SF.

The TY 2009 adjusted land rate is $277.07 or $79.16 per FAR point. Please see the attached listing of land sales. There is a very nominal improvement value of $0.59 per SF land area for paving.

Due to the fact that no evidence was provided as to the basis of this appeal, it is recommended to sustain the TY 2009 assessment.

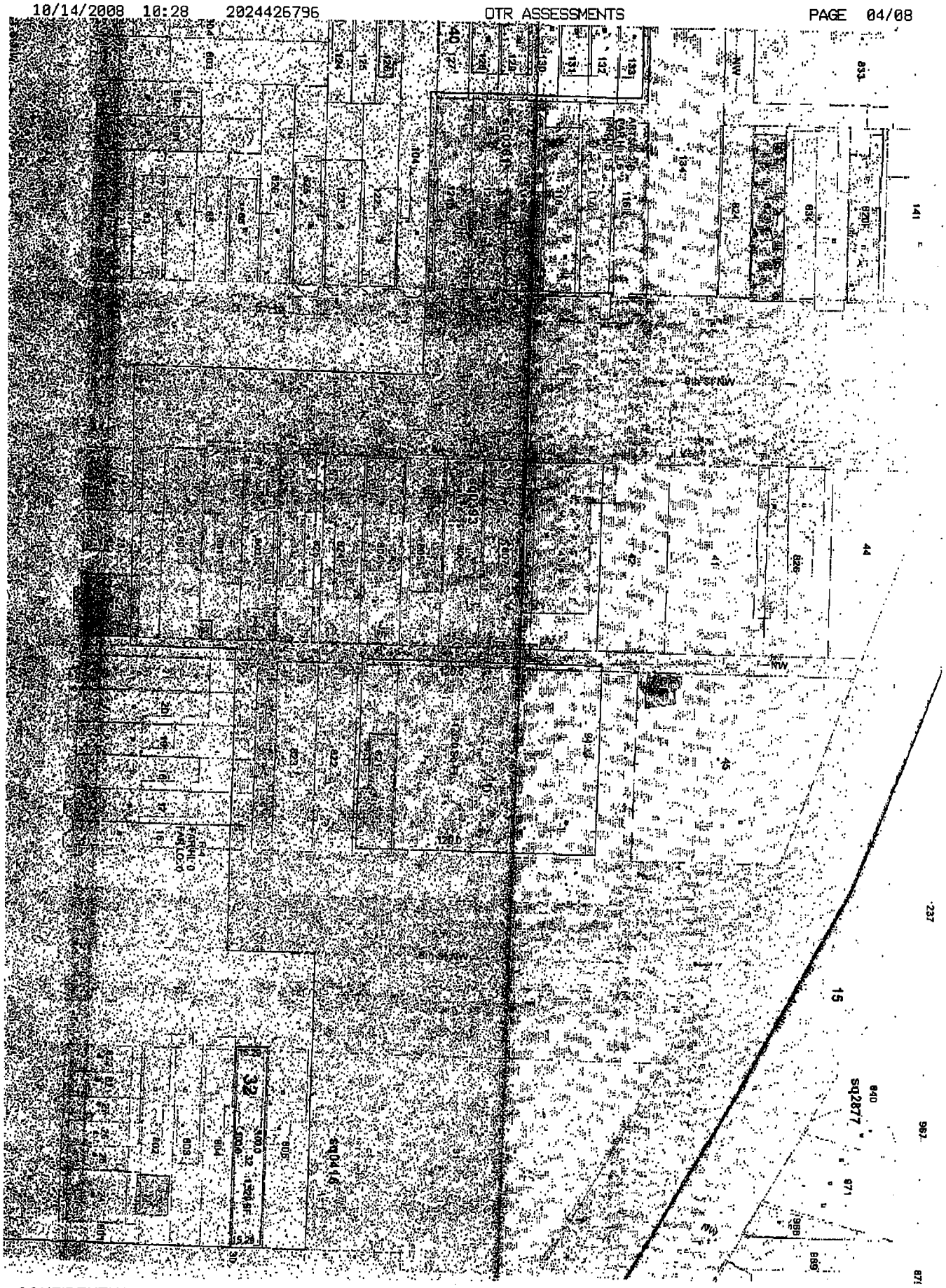
BRPAA
Property Owner's Complaint: Value is too high. Supplied land comps from different areas of the city.

Assessor's Response: The one sale from the same neighborhood and market supplied by the petitioner supports OTR. Please see the attached list of land sales in the neighborhood that support or indicate an increase is necessary for the subject lot.

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017244

Square	Lot	Address	Zone	UC	NC	Sale Date	Sale Price	Area	/Land	FAR	/FAR
						LAND					
194	50	Church St, NW	R5B	64	40	7/20/06	$8,750,000	2,090			
194	51	Church St, NW	R5B	64	40	7/20/06	$0	2,090			
194	52	Church St, NW	R5B	64	40	7/20/06	$0	2,090			
		TOTAL					$8,750,000	6,270	$1,395.53	1.80	$775
202	74	1407 W St, NW	R5B	192	40	4/26/06	$1,750,000	5,400	$324.07	1.8	$180.04
208	806	R ST, NW	C3A	64	40	6/21/06	$3,250,000	1,004			
208	807	1638 14th St, NW	C3A	64	40	6/21/06	$0	2,498			
208	808	1634 14th St, NW	C3A	64	40	6/21/06	$0	2,498			
208	Ttl	Total	C3A	64	40	6/21/06	$3,250,000	6,000	$541.67	2.50	$216.67
240	810	Corcoran St, NW	C3A	64	40	10/31/05	$40,000	140			
240	811	Corcoran St, NW	C3A	64	40	10/31/05	$0	137			
240	810-11	Corcoran St, NW	C3A	64	40	10/31/05	$40,000	277	$144.40	2.50	$57.76
241	803	14th St, NW	C3A	64	40	5/19/05	$9,924,589	1,313			
241	804	14th St, NW	C3C	64	40	5/19/05	$0	1,313			
241	805	14th St, NW	C3A	194	40	5/19/05	$0	1,750			
241	807	14th St, NW	C-3-A	194	40	5/19/05	$0	1,750			
241	848	14th St, NW	C-3-A	196	40	5/19/05	$0	5,250			
		TOTAL					$9,924,589	11,376	$872.41	2.50	$348
309	815	1620 11th St, NW	C2A	191	40	10/3/05	$2,100,000	1,539	$1,364.52	1.50	$910
331	50	106th St, NW	R5B	64	40	2/22/06	$1,120,000	1,518	$737.81	1.8	$409.90
333	824	LOUD PL NW	R4	191	40	9-Feb-07	$2,300,000	2,106			
333	825	1906 VERMONT AV NW	R4	191	40	9-Feb-07	$0	2,172			
333	827	T ST NW	R4	64	40	9-Feb-07	$0	9,133			
333	Ttl	Total	R4	64	40	9-Feb-07	$2,300,000	13,411	$171.50	0.80	$214.38
337	4	11TH ST NW	C2A	191	40	4-Apr-07	$425,000	1,780	$238.76	1.50	$159.18
338	807	1435 11TH ST NW	C2A	191	40	18-Apr-07	$260,000	1,653	$157.28	1.50	$104.86
357	94	2241 10TH ST NW	R5B	191	40	8/23/06	$50,000	311	$160.77	1.8	$89.32
358	5	933 V St, NW	C2A	194	40	3/14/06	$3,800,000	2,375	$1,600.00	1.50	$1,067
367	86	9th St, NW	C2A	191	40	4/29/05	$175,000	1,215	$144.03	2.5	$57.61
527	17	926 3RD ST NW	C2C	196	40	5-Jun-07	$2,012,020	1,060			
527	826	924 3RD ST NW	C2C	196	40	5-Jun-07	$0	1,090			
527	827	922 3RD ST NW	C2C	196	40	5-Jun-07	$0	1,209			
527	828	920 3RD ST NW	C2C	196	40	5-Jun-07	$0	1,232			
527	829	918 3RD ST NW	C2C	196	40	5-Jun-07	$0	1,562			
527	830	916 3RD ST NW	C2C	196	40	5-Jun-07	$0	1,591			
		TOTAL					$2,012,020	7,744	$259.82	2.00	$129.91
484W	814	602 K St, NW	C3C	191	40	3/2/05	$400,000	1,197			
484W	815	600 K St, NW	C3C	64	40	3/2/05	$0	1,063			
484W	819	K St, NW	C3C	64	40	3/2/05	$0	549			
484W	821	K St, NW	C3C	64	40	3/2/05	$0	183			
484W	822	606 K St, NW	C3C	191	40	3/2/05	$0	694			
484W	823	K St, NW	C3C	64	40	3/2/05	$0	1,631			
484W	Total	Total	C3C	64	40	3/2/05	$400,000	5,317	$75.23	6.5	$11.57
516S	858	Mass Ave, NW	C2C	64	40	8/17/05	$7,250,000	7,798	$929.73	2.00	$464.86

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017245



FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017246

CONFIDENTIAL

1918-1930 8th Street Comparable Sale Report

Address	Square	Lot	Neighborhood	Ward	Type	Land Area (SF)	Sale Price	Sale Date	Zone	FAR By-Right	Price/FAR
3646 Georgia Ave NW	2897	147	Columbia Heights	1	191 - Vacant True	10,413.00	$ 1,900,000.00	1/8/2007	C3A	2.5/4.0	$ 46.62
3642 Georgia Ave NW	2897	145	Columbia Heights	1	192 - Vacant	1,787.00	$ 180,000.00	2/8/2008	C3A	2.5/4.0	$ 25.18
3801-3809 Georgia Ave NW	3028	55, 39	Petworth	4	191 - Vacant True	9,813.00	$ 2,200,000.00	4/26/2007	C3A	2.5/4.0	$ 57.21
1932 9th Street NW	351	134	Old City II	1	64 - Parking Lot	5,436.00	$ 1,400,000.00	2/7/2008	C2B	1.5/3.5	$ 73.58
2131-2143 9th Street NW	2875	976, 1108, 2011	Columbia Heights	1	64, 51, 74	11,942.00	$ 3,300,000.00	9/12/2007	CR	3.0/6.0	$ 46.06
										AVERAGE:	$ 49.63

VALUE ESTIMATE OF SUBJECT PROPERTY BASED ON AVERAGE FAR VALUE BY-RIGHT

1918-1930 8th Street NW	393	46	Old City II	1	64-Parking Lot	11,320.00	$ 1,962,391.04		C2B	1.5/3.5	$ 49.63

MARKET VALUE: $ 1,962,391.04

FOIA CONFIDENTIAL TREATMENT REQUESTED

FOIA CONFIDENTIAL TREATMENT REQUESTED

10/14/2008 10:28 2024426796 OTR ASSESSMENTS PAGE 06/08

Internal ID: 203367

Property Location: 1916-1930 8TH ST NW
WASHINGTON, DC 22214

Bldg #: 1 of 1 Card 1 of 1 Sec #: 1 of 1 Batch #: Print Date: 10/09/2008 14:05

Vacant

District of Columbia Real Property Assessment Division

CURRENT OWNER

MEDAL INC
9210 PEGASUS CT
POTOMAC, MD 20854-1661
Additional Owners:

ACCOUNT INFORMATION

Use Type	Use Code	Lot SF	Status Code
CL	064	11,320	

VISIT/CHANGE HISTORY

Date	ID	Type	Inf. Source	Code	Description

CURRENT ASSESSMENT

Description	Use	Assessed Value
COMMERCL	064	6,640
COM LAND	064	3,136,430

Value Source: O Total: 3,143,070

	Value Date	Value Status
Reg	07/16/2008	C
Cost	02/04/2008	C

OWNERSHIP HISTORY

	INSTRUMENT #	SALE DATE	Q/U	V/I	SALE PRICE	A/C
MEDAL INC	000000	07/11/2006	U	V	0	00

PREVIOUS ASSESSMENTS (HISTORY)

Yr.	Use	Type	Val Source	Land Value	Building Value	Assessed Value
2009	064	CL	O	3,136,430	6,640	3,143,070
2008	064	CL	O	3,136,430	6,640	3,143,070
2007	064	CL	O	1,867,800	6,640	1,874,440
2006	064	CL	O	1,698,000	5,950	1,703,950

APPEALS

Appeal #	Decision	Amount	Revised AV

PROPERTY FACTORS

TOPOGRAPHY	MLT FRONT	ALLEY ACCESS	LANDSCAPE

TAX TYPE

Year	Type	Description
2007	TX	TAXABLE

SUPPLEMENTAL DATA

Type	Description
Neighborhood	OLD CITY II
Part Part	0
Mixed Use	0
Vent Lnd Use	69
Model Type	
Base Lot Val	
Abbutt Lot	
Sketch Flag	C

COMMENTS

PARCEL LOCATION SUMMARY

SSL	NBHD	SUB-NBHD	ZONING	WARD	GROUP	ARN
0393 0046	40/G	G	C-2-B	1	2	405

BUILDING PERMIT INFORMATION

Permit ID	Issue Date	Type	Amount	Description	Insp. Date

VALUE SUMMARY

	Regress (L&B)	Cost (L&B)
	0	3,136,430

	Factor/Value	Type	Reason	Date	ID
Value Adjust					
Override	$3,143,070	T	R	01/11/2008	405
Comment	2009 Reassessment				

DATA ENTRY

Entry Date: Entry ID:

LAND LINE VALUATION SECTION

#	Occ	Description	Zone	Frontage	Depth	Units		S.I.	I. Factor	I.T.	Price	Size Adj	Site Rating		Adjustments/Special Use	Notes	Land Value
1	064	Parking Lot Special Purpose	C-2-B			11,320	SF	0	1.00		277.07	0.0000		0.00			3,136,430
					Total Land Units	11,320	SF										

WMATA-INV 017248

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

Internal ID: 203367

Property Location: 1916-1930 8TH ST NW
WASHINGTON, DC 22214

Card 1 of 1
Bldg #: 1 of 1 Sec #: 1 of 1
Batch #:
Print Date: 10/09/2008 14:05

CONSTRUCTION DETAIL

Element	Cd.	Chng	Description
Occupancy	064		
Model	00		Vacant

BUILDING SUMMARY SECTION

Code	Description	Gross	Eff. Area	Living
	Total:	0	0	0

BUILDING COST

Effective Area	0
Building RCN	0
Spec.Feature RCN	0
Total RCN	0
% Good	0
Building Cost	0

DEPRECIATION

	Current	Change
Primary OCC	064	
Structure Class		
Actual Year Built	0	
Year Remodeled		
Effective Year Built	0	
CDU		
Status		
% Complete	100	
% GD Override (Cost)		
Type		
Reason		
Date		
ID		
Comment		

SPECIAL FEATURES/AMENITIES

Code	Description	Units	UOM	Unit Price	Grade	RCN

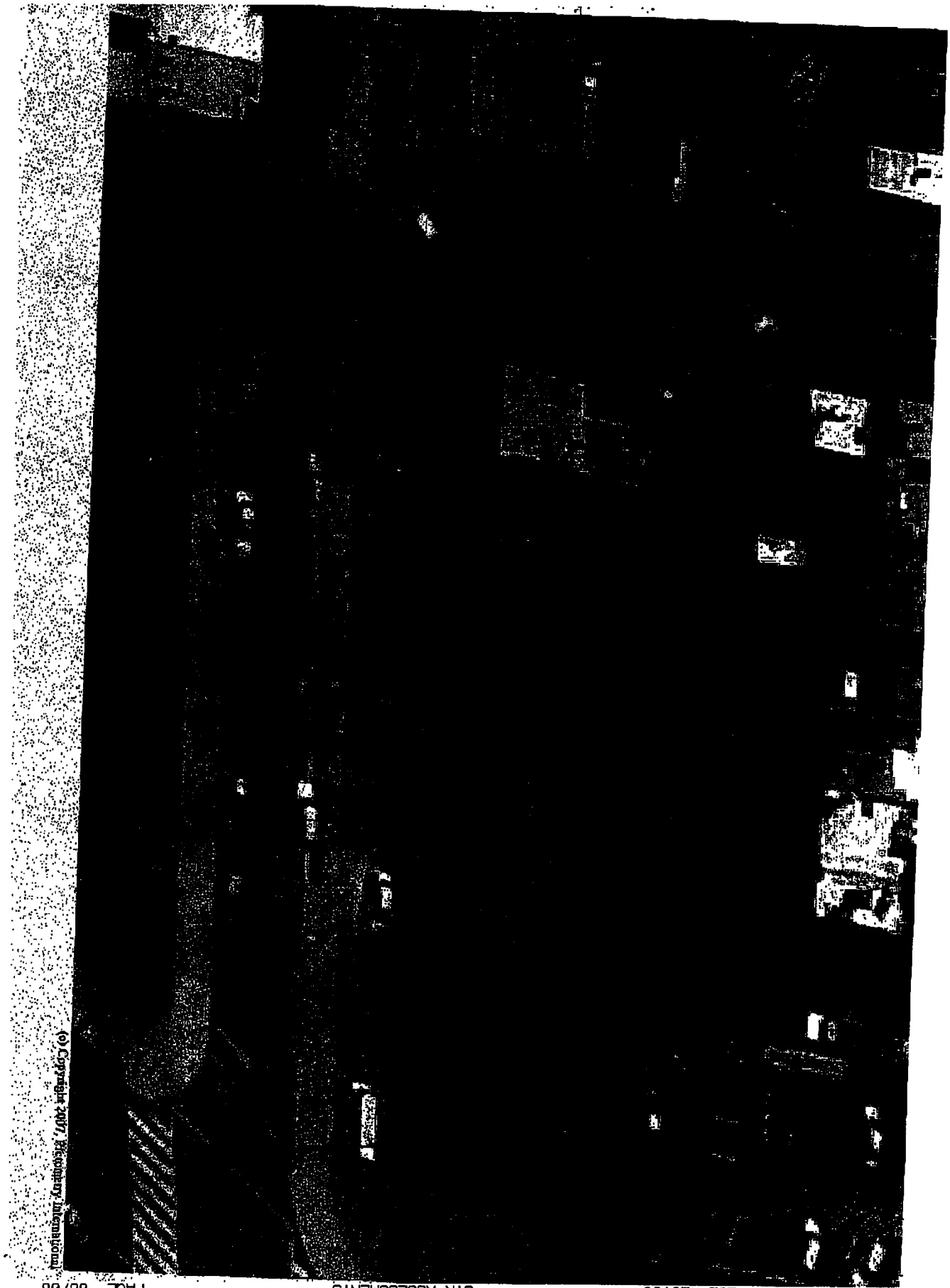
DETACHED STRUCTURES

Code	Description	Units	UOM	Unit Price	Grade	Quality	RCN	% Gd	Assessed Val

SKETCH

No Photo On Record

WMATA-INV 017249



FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017250

*** Slip Sheet ***

Document

Government of the District of Columbia

Board of Real Property Assessments and Appeals

Notice of Hearing Schedule

Tax Year 2009

Date: 09/17/2008

MEDAL INC
9210 PEGASUS CT
POTOMAC, MD 208541661

Square: 0393 Suffix: Lot: 0046
Appeal of: MEDAL INC
Property Address: 1916 8TH ST NW

Dear Property Owner:

This is to inform you that your hearing with the Board of Real Property Assessments and Appeals has been scheduled as follows:

Date: 10/17/2008
Time: 04:00 pm
Panel: 3

The hearing will be held at 441 Fourth Street, N.W. (Judiciary Square Metro) in Suite 430S.

If you have any questions, please contact me on (202) 727-6860.

Sincerely,

Doretha C. McCallum

Doretha C. McCallum
Administrative Officer

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

GOVERNMENT OF THE DISTRICT OF COLUMBIA
BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS
ONE JUDICIARY SQUARE
441 4TH STREET, N.W., SUITE 430
WASHINGTON, DC 20001

OFFICIAL BUSINESS
PENALTY FOR MISUSE

UNITED STATES POSTAGE
PITNEY BOWES
02 1M $ 00.42⁰
0004232913 SEP 24 2008
MAILED FROM ZIPCODE 20001

1920 8Th Street LLC
4326 8th Street, NW
Washington, DC 20011

2001187214 0045

LA 00001204

WMATA-INV 017253

*** Slip Sheet ***

Document

U.S. POSTAL SERVICE **CERTIFICATE OF MAILING**

MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT PROVIDE FOR INSURANCE - POSTMASTER ☆ ☆ ☆

Affix fee here in stamps or meter postage and post mark. Inquire of Postmaster for current fees.

138 PB3.4
1320 $01.05 APR 08
2791 MAILED FROM ZIP CODE 20011

Received From:

1920 8th Street LLC
4326 8th Street, NW
Washington, DC 20011

One piece of ordinary mail addressed to:

Office of Tax and Revenue
Real Property Tax Admin. - Appeals Section
P.O. Box 176
Washington, DC 20044

FETWORTH STA. APR 1 2008

CONFIDENTIAL

LA 00001205

Government of the District of Columbia
Office of Tax and Revenue
Real Property Tax Administration

★★★

Real Property Assessment Division First Level Appeal Application

Dear Property Owner:

The Real Property Tax Administration (RPTA) strives to assess property at 100% of market value. Market value is defined as the most probable price that a buyer would pay a willing seller on the open market. As the property owner, you are given the opportunity to dispute the assessment of your real property through a formal appeal process. The process involves three levels of appeal, beginning with the First Level-Administrative Appeal. Subsequent steps include appealing before the Board of Real Property Assessments and Appeals and DC Superior Court. You must, however, start at the First Level before proceeding to the next levels of appeal. Please complete the following information in order to file the First Level appeal of your property.

YOU MUST FILE YOUR APPEAL ON OR BEFORE APRIL 1, 2008 - EXCEPT IN THE CASE OF SUPPLEMENTAL ASSESSMENTS, NEW LOTS, AND ADMINISTRATIVE CORRECTIONS.

Owner's Name: 1920 8th STREET LLC Square: 0393 Suffix: _____ Lot: 0046

Property Address: 1920 8th st., NW City: WASH State: DC Zip: 20001

Please indicate the basis for your appeal: (Examples of supporting documentation are shown below)

[ ] Market Value	Examples: • recent written appraisal, and/or •recent settlement statement, and/or • property insurance documents
[✓] Equalization	Example: a listing of properties that you consider to be comparable to your property.
[ ] Classification	Indicate current use of the property, and date the use started: Date:_____ [ ] Residential [ ] Commercial [ ] Mixed Use [ ] Exempt ***Note:* If the appeal is based on Class 3 classification, do NOT use this form, Call (202) 442-4332 to obtain the proper *Class 3 Exception Application* form.**
[ ] Property Damage or Condition	Examples include supporting documents to substantiate claim (cost estimates, damage claims, etc.)

Assessment information about your property and comparable properties may be found on our Web site located at, **http://www.cfo.dc.gov/otr/**, or you may call (202) 727-4829 for assistance.

[ ] **New homeowner,** please provide sale date: _____.
[ ] Indicate Tax Year of appeal, if other than Tax Year 2009: _____.

Please select how you wish to conduct your First Level appeal:

[✓] **Option One** *Written Appeal* **There will be no meeting with your appraiser.**
Please submit all documentation to support your position with this application. You will be notified by your appraiser regarding the outcome of your appeal, based on his/her review of the information you submit and existing market data.

[ ] **Option Two** *Telephone Hearing* **Provide hearing telephone number:** _____.
You will be notified of the time and date when your appraiser will call you at the above number to conduct the hearing.

[ ] **Option Three** *In-Person Hearing*
You will be notified of the time and date to appear for your hearing with your appraiser.

Will you be appealing any other properties? [ ] Yes [X] No, If Yes, please complete an appeal application for each.

Return completed form to:
Office of Tax and Revenue
Real Property Tax Admin. - Appeals Section
P.O. Box 176
Washington, D.C. 20044

Print Name: ~~[illegible]~~ Ross Lakrotz
Owner/Agent* Signature: [signature]
Date (mm/dd/yyyy): April 1, 2008
Daytime Phone: 202-882-0808
Evening Phone: 202-882-0808

*If not the owner, a *Letter of Agent Authorization* must be attached.

Rev. 2009-2

941 North Capitol Street, N.E., First Floor, Customer Service Center, Washington, D.C. 20002

CONFIDENTIAL LA 00001206

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017256

FOIA CONFIDENTIAL TREATMENT REQUESTED

1916-1930 8th Street Comparable Sale Report

Address	Square	Lot	Neighborhood	Ward	Type	Land Area (SF)	Sale Price	Sale Date	Zone	FAR By-Right	Price/FAR
3646 Georgia Ave NW	2897	147	Columbia Heights	1	191 - Vacant True	10,413.00	$ 1,900,000.00	1/8/2007	C3A	2.5/4.0	$ 45.62
3642 Georgia Ave NW	2897	145	Columbia Heights	1	192 - Vacant	1,787.00	$ 180,000.00	2/8/2008	C3A	2.5/4.0	$ 25.18
3801-3809 Georgia Ave NW	3028	55, 39	Petworth	4	191 - Vacant True	9,613.00	$ 2,200,000.00	4/26/2007	C3A	2.5/4.0	$ 57.21
1932 9th Street NW	361	134	Old City II	1	64 - Parking Lot	5,436.00	$ 1,400,000.00	2/7/2008	C2B	1.5/3.5	$ 73.58
2131-2143 9th Street NW	2875	976, 1108, 2011	Columbia Heights	1	64, 51, 74	11,942.00	$ 3,300,000.00	9/12/2007	CR	3.0/6.0	$ 46.06
										AVERAGE:	**$ 49.53**
VALUE ESTIMATE OF SUBJECT PROPERTY BASED ON AVERAGE FAR VALUE BY-RIGHT											
1916-1930 8th Street NW	393	46	Old City II	1	64- Parking Lot	11,320.00	**$ 1,962,391.04**		C2B	1.5/3.5	**$ 49.53**

MARKET VALUE: **$ 1,962,391.04**

WMATA-INV 017257

*** Slip Sheet ***

Document

1920 8TH STREET

*** Slip Sheet ***

Document

1920 8TH ST - DEPOSITS - 2008

*** Slip Sheet ***

Document

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

Deposit To The Account Of (Please print full name): 1920 8TH ST LLC

Address:

City, State, Zip Code:

Date: 12-4-08

Please Sign Here If Cash Received:

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

Please enter your account number below

* 5162778635

→ USE FOR 10 DIGIT ACCOUNT NUMBER

F0008000260
(Rev. 09/15/03)

	Dollars	Cents
Currency/Coins		
Checks: TGP	30,000	00
Total	30,000	00
Less: Cash Received		
Total Deposit $	30,000	00

CLIENT COPY

2412201 B68203 003 00063 16:20 12/05/08
#0005162778635 DEPOSIT 30,000.00

PH Transaction

CONFIDENTIAL

LA 00001210

BB&T

Account Deposit
☐ Checking ☐ Savings

Deposit To The Account Of (Please print full name)		Dollars	Cents
1920 8TH ST LLC	Currency/Coins		
Address	Checks TGP	3000	00
City, State, Zip Code			
Date 12-4-08	Please Sign Here If Cash Received		
	Total	3000	00
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL	Please enter your account number below	Less: Cash Received	
* 5162778635		Total Deposit $	3000.00

→ USE FOR 10 DIGIT ACCOUNT NUMBER

F0008000260 (Rev. 09/15/03)

APPERSON PRINT MANAGEMENT SERVICES

APM 06/08

⑆053101121⑆ 33

TIHISHA GIRMAI PARKING OPERATION ACCOUNT
7111 HUNTLEY CREEK PL.
ALEXANDRIA, VA 22306

1343

12/04/2008 Date

65-7198/2550
68

Pay to the Order of 1920 8th street LLC $ 3,000.00/100

three thousand and 00/100 only Dollars

CHEVY CHASE BANK
BETHESDA, MARYLAND 20814

For Rent Tihisha Girmai

⑈255071981⑈ 3594301605⑈ 1343

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017264

*** Slip Sheet ***

Document

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

Deposit To The Account Of (Please print full name)	1920 8TH STREET LLC
Address	
City, State, Zip Code	
Date	11-6-08
Please Sign Here If Cash Received	

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

Please enter your account number below

* 5162778635

→ USE FOR 10 DIGIT ACCOUNT NUMBER

F0008000260
(Rev. 09/15/03)

	Dollars	Cents
Currency/Coins		
Checks		
TGP	3,000	00
Total	3,000	00
Less: Cash Received		
Total Deposit $	3,000	00

CLIENT COPY

2613722 C20943 034 00120 17:18 11/06/08
#0005162778635 DEPOSIT $3,000.00

PM Transaction

CONFIDENTIAL

LA 00001212

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

		Dollars	Cents
Deposit To The Account Of (Please print full name) 1920 8TH STREET LLC	Currency/Coins		
Address	Checks TGP	3000	00
City, State, Zip Code			
Date 11-6-08 / Please Sign Here If Cash Received	Total	3 000	00
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL	Less: Cash Received		
Please enter your account number below	Total Deposit $	3000	00

* 5162778635

→ USE FOR 10 DIGIT ACCOUNT NUMBER

F0006000260 (Rev. 09/15/03)

APM 06/08

⑆053101121⑆ 33

ENTERED

TIHISHA GIRMAI PARKING OPERATION ACCOUNT
7111 HUNTLEY CREEK PL.
ALEXANDRIA, VA 22306

1300

11/05/2008 Date

Pay to the Order of 1920 8th St LLC $ 3,000.00/100

Three Thousand and 00/100 Dollars

CHEVY CHASE BANK
BETHESDA, MARYLAND 20814

For Pay

Tihisha Girmai

⑆255071981⑆ 3594301605⑈ 1300

CONFIDENTIAL LA 00001213

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017267

*** Slip Sheet ***

Document

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

Deposit To The Account Of (Please print full name)	1920 8TH STREET LLC
Address	
City, State, Zip Code	
Date	10-6-08
Please Sign Here If Cash Received	

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL. Please enter your account number below

* 5162778635

→ USE FOR 10 DIGIT ACCOUNT NUMBER

F0008000260
(Rev. 09/15/03)

	Dollars	Cents
Currency/Coins		
Checks TGP	3000	00
Total	3000	00
Less: Cash Received		
Total Deposit $	3000	00

CLIENT COPY

2612211 B38471 004 00125 13:50 10/07/08
#0005162778635 DEPOSIT $3,000.00

CONFIDENTIAL

LA 00001214

Checking Savings

Deposit To The Account Of (Please print full name)
1920 8TH STREET LLC

Address

City, State, Zip Code

Date 10-6-08

Please Sign Here if Cash Received

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

Please enter your account number below

* 5162778635

USE FOR 10 DIGIT ACCOUNT NUMBER

Currency/Coins
Checks TGP 3000.00

Total 3000.00

Less: Cash Received

Total Deposit $ 3000.00

APM 08/08

⑆053101121⑆ ENTERED 33

TIHISHA GIRMAI PARKING
OPERATION ACCOUNT
7111 HUNTLEY CREEK
ALEXANDRIA, VA 22306

1292

Date 10/02/2008

Pay to the Order of 1920 8th St LLC $15,000.00

Fifteen Thousand and 00/100 Dollars

CHEVY CHASE BANK
BETHESDA, MARYLAND 20814

For Rent

Tihisha Girmai

⑆255071981⑆ 3594301605⑈ 1292

*** Slip Sheet ***

Document

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

Deposit To The Account Of (Please print full name)	1920. 8TH STREET LLC
Address	
City, State, Zip Code	
Date	9-9-08
Please Sign Here If Cash Received	

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

Please enter your account number below

*

F0008000260
(Rev. 09/15/03)

5162778635

→ USE FOR 10 DIGIT ACCOUNT NUMBER

	Dollars	Cents
Currency/Coins		
Checks		
TGP	3000	.00
Total	3000	.00
Less: Cash Received		
Total Deposit $	3000	.00

CLIENT COPY

2613722 C21288 031 00066 17:58 09/09/08
#0005162778635 DEPOSIT $3,000.00

CREDIT NEXT BUSINESS DAY

CONFIDENTIAL

LA 00001216

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

		Dollars	Cents
Deposit To The Account Of (Please print full name): 1920 8TH STREET LLC	Currency/Coins		
Address	Checks: TGP	3000	.00
City, State, Zip Code			
Date: 9-9-08 — Please Sign Here If Cash Received	Total	3000	.00
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL — Please enter your account number below	Less: Cash Received		
* 5162778635	Total Deposit $	3000	.00

→ USE FOR 10 DIGIT ACCOUNT NUMBER

F0008000260 (Rev. 09/15/03)

APM 03/08

⑆053101121⑆ ENTERED 33

TIHISHA GIRMAI PARKING OPERATION ACCOUNT
7101 HUNTLEY CREEK PL
ALEXANDRIA, VA 22306

1291

Date 09-05-2008

Pay to the Order of 1920 8th ST LLC $ 3,000 00/100

Three thousand and 00/100 only Dollars

CHEVY CHASE BANK
BETHESDA, MARYLAND 20814

For Tihisha Girma

⑆255071981⑆ 3594301605⑈ 1291

CONFIDENTIAL

LA 00001217

*** Slip Sheet ***

Document

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

Deposit To The Account Of (Please print full name)	
1960 8TH STREET LLC	
Address	
City, State, Zip Code	
Date: 8-11-08	Please Sign Here If Cash Received

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL. Please enter your account number below

* 5162778635

→ USE FOR 10 DIGIT ACCOUNT NUMBER

F0008000260 (Rev. 09/15/03)

	Dollars	Cents
Currency/Coins		
Checks TGP	3000	.00
Total	3000	.00
Less: Cash Received		
Total Deposit $	3000	.00

2613722 C20943 034 00173 17:57 08/11/08
#0005162778635 DEPOSIT $3,000.00

CREDIT NEXT BUSINESS DAY

CLIENT COPY

CONFIDENTIAL

LA 00001218

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

		Dollars	Cents
Deposit To The Account Of (Please print full name) 1920 8TH STREET LLC	Currency/Coins		
Address	Checks TGP	3000	00
City, State, Zip Code			
Date 8-11-08 / Please Sign Here If Cash Received	Total	3000	00
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL	Less: Cash Received		
Please enter your account number below	Total Deposit $	3000	00

* 5162778635

→ USE FOR 10 DIGIT ACCOUNT NUMBER

F0008000260 (Rev. 09/15/03)

APM 03/08

ENTERED

⑆053101121⑆ 33

TIRISHA GIRMAL PARKING OPERATION ACCOUNT
7111 HUNTLEY CREEK PL
ALEXANDRIA, VA 22308

1181

Date 08-01-2008

Pay to the Order of 1920 8th St LLC $ 3000 00/100

Three thousand and 00/100 only Dollars

CHEVY CHASE BANK
BETHESDA, MARYLAND 20814

For Rent

⑆255071981⑆ 3594301605⑈ 1181

CONFIDENTIAL LA 00001219

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017276

*** Slip Sheet ***

Document

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

Deposit To The Account Of (Please print full name)	1920 8TH ST LLC
Address	
City, State, Zip Code	
Date	7-8-08
Please Sign Here If Cash Received	

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL. Please enter your account number below

* 5162778635

→ USE FOR 10 DIGIT ACCOUNT NUMBER

F0008000280 (Rev. 09/15/03)

	Dollars	Cents
Currency/Coins		
Checks		
TG PARKING	3000	.00
Total	3000	.00
Less: Cash Received		
Total Deposit $	3000	.00

CLIENT COPY

2613722 02829 032 #00145 17:29 07/08/08
#0005162778635 DEPOSIT $3,000.00

CREDIT NEXT BUSINESS DAY

CONFIDENTIAL

LA 00001220

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

Deposit To The Account Of (Please print full name): 1920 8TH ST LLC

Address:

City, State, Zip Code:

Date: 7-8-08

Please Sign Here If Cash Received:

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

Please enter your account number below

* 5162778635 → USE FOR 10 DIGIT ACCOUNT NUMBER

F0008000280 (Rev. 09/15/03)

	Dollars	Cents
Currency/Coins		
Checks: T&PARKING	3000	.00
Total	3000	.00
Less: Cash Received		
Total Deposit $	3000	.00

APM 01/07

ENTERED

⑆053101121⑆ 33

TIRISHA GIRMAI PARKING
OPERATION ACCOUNT
711 HUNTLEY CREEK PL
ALEXANDRIA, VA. 22308

1283

Date 07-07-2008

Pay to the Order of: 1920 8TH ST LLC $3,000.00

Three Thousand and 00/100 Dollars

CHEVY CHASE BANK
BETHESDA, MARYLAND 20814

For: Rent

Tirisha Girmai

⑈255071988⑈ 3594301805⑈ 1283

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017279

*** Slip Sheet ***

Document

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

Deposit To The Account Of (Please print full name)	1920 8TH ST LLC
Address	
City, State, Zip Code	
Date	6-2-08
Please Sign Here If Cash Received	

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

Please enter your account number below

* 5162778635

→ USE FOR 10 DIGIT ACCOUNT NUMBER

F0008000250
(Rev. 09/15/03)

	Dollars	Cents
Currency/Coins		
Checks		
TGP	3000	00
Total	3000	00
Less: Cash Received		
Total Deposit $	3000	00

CLIENT COPY

2612211 32974 003 #00057 11:29 06/03/08
#0005162778635 DEPOSIT $3,000.00

CONFIDENTIAL

LA 00001222

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

		Dollars	Cents
Deposit To The Account Of (Please print full name): 1920 8TH ST LLC	Currency/Coins		
Address	Checks: TGP	3000	00
City, State, Zip Code			
Date: 6-2-08	Please Sign Here If Cash Received		
	Total	3000	00
	Less: Cash Received		
	Total Deposit $	3000	00

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

Please enter your account number below

* 5162778635

→ USE FOR 10 DIGIT ACCOUNT NUMBER

F0008000280 (Rev. 09/15/03)

APM 01/07

⑆053101121⑆ ENTERED 33

TIMISHA GIRMAI PARKING OPERATION ACCOUNT
7113 HUNTLEY CREEK PL
ALEXANDRIA, VA 22306

1232

Date 06-02-2008

Pay to the Order of 1920 8th st LLC $ 3,000.00/100

Three thousand and 00/100 only Dollars

CHEVY CHASE BANK
BETHESDA, MARYLAND 20814

For Bent

⑆255071981⑆ 3894301609⑈ 1232

CONFIDENTIAL LA 00001223

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017282

*** Slip Sheet ***

Document

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

		Dollars	Cents
Deposit To The Account Of (Please print full name): 1930 8TH STREET LLC	Currency/Coins		
Address	Checks: TGP	3000	.00
City, State, Zip Code			
Date: 5-6-08 / Please Sign Here If Cash Received	Total	3000	.00
	Less: Cash Received		
	Total Deposit $	3000	.00

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

Please enter your account number below

F0008000260 (Rev. 09/15/03)

* 5162778635

→ USE FOR 10-DIGIT ACCOUNT NUMBER

CLIENT COPY

2612211 30802 004 #00112 13:53 05/07/08
#0005162778635 DEPOSIT $3,000.00

CONFIDENTIAL

LA 00001224

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

		Dollars	Cents
Deposit To The Account Of (Please print full name): 1920 8TH STREET LLC	Currency/Coins		
Address	Checks: TGP	3000	00
City, State, Zip Code			
Date: 5-6-08 — Please Sign Here If Cash Received	Total	3000	00
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL — Please enter your account number below	Less: Cash Received		
* 5162778635	Total Deposit $	3000	00

F0008000280 (Rev. 09/15/03)

→ USE FOR 10 DIGIT ACCOUNT NUMBER

APM 01/07

⑆053101121⑆ ENTERED 33

THISHA GIRMAI PARKING
OPERATION ACCOUNT
2111 HUNTLEY CREEK PL
ALEXANDRIA, VA 22306

1226

Date 05-06-2008

Pay to the Order of 1920 8th St LLC $ 3,000 00/100

Three thousand and 00/100 only Dollars

CHEVY CHASE BANK
BETHESDA, MARYLAND 20814

For Yeah

⑆ 3550 2 1981 ⑆ 3894301605 ⑈ 1226

*** Slip Sheet ***

Document

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

		Dollars	Cents
Deposit To The Account Of (Please print full name): 1920 8TH ST LLC	Currency/Coins		
Address	Checks: TG PARKING	3000.	00
City, State, Zip Code			
Date: 4-7-08 — Please Sign Here If Cash Received	Total	3000.	00
	Less: Cash Received		
	Total Deposit $	3000.	00

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

Please enter your account number below

*

F0008000280
(Rev. 09/15/03)

5162778635

→ USE FOR 10 DIGIT ACCOUNT NUMBER

CLIENT COPY

2613706 06409 001 W00123 9:21 04/08/08
W0005162778635 DEPOSIT $3,000.00

CONFIDENTIAL

LA 00001226

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

Deposit To The Account Of (Please print full name)	1920 8TH ST LLC
Address	
City, State, Zip Code	
Date	4-7-08
Please Sign Here If Cash Received	

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

Please enter your account number below

* 5162778635

→ USE FOR 10 DIGIT ACCOUNT NUMBER

	Dollars	Cents
Currency/Coins		
Checks		
TG PARKING	3000.	00
Total	3000.	00
Less: Cash Received		
Total Deposit $	3000.	00

APPERSON PRINT MANAGEMENT SERVICES

APM 01/07

⑆053101121⑆ 33

ENTERED

TIHISHA GIBMAL PARKING
OPERATION ACCOUNT
7111 HUNTLEY CREEK LN
ALEXANDRIA, VA 22308

1150

Date 04-05-2008

Pay to the Order of 1920 8th Street LLC $ 3,000.00/100

Three Thousand and 00/100 Dollars

CHEVY CHASE BANK
BETHESDA, MARYLAND 20814

For Tihisha Gibmal

⑆155071981⑆ 3554301805⑈ 1150

CONFIDENTIAL

LA 00001227

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017288

*** Slip Sheet ***

Document

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

		Dollars	Cents
Deposit To The Account Of (Please print full name): 1920 8TH STREET LLC	Currency/Coins		
Address	Checks: T&P	3 000	.00
City, State, Zip Code			
Date: 3-7-08 / Please Sign Here If Cash Received			
	Total	3 000	.00
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL. Please enter your account number below	Less: Cash Received		
* 5162778635 → USE FOR 10 DIGIT ACCOUNT NUMBER	Total Deposit $	3 000	.00

F0008000260
(Rev. 09/15/03)

CLIENT COPY

26\3722 02029 032 #00032 8:51 03/10/02
#0005162778635 DEPOSIT $3,000.00

CONFIDENTIAL

LA 00001228

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

		Dollars	Cents
Deposit To The Account Of (Please print full name) 1920 8TH STREET LLC	Currency/Coins		
Address	Checks TGP	3 000.00	
City, State, Zip Code			
Date 3-7-08 / Please Sign Here If Cash Received	Total	3 000.00	
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL / Please enter your account number below	Less: Cash Received		
* 5162778635	Total Deposit $	3 000.00	

F0006000260 (Rev. 09/15/03)

→ USE FOR 10 DIGIT ACCOUNT NUMBER

APM 01/07

⑆053101121⑆ 33

ENTERED

TIHISHA GIRMAI PARKING OPERATION ACCOUNT
22 CANTERBURY SQ UNIT 302
ALEXANDRIA, VA. 22304-3078

1149

Date 03-04-2008

Pay to the Order of 1920 8th St LLC $ 3,000.00/100

Three Thousand and 00/100 only Dollars

CHEVY CHASE BANK
BETHESDA, MARYLAND 20814

For [illegible]

⑆255071984⑆ 3594301605⑈ 1149

*** Slip Sheet ***

Document

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

Deposit To The Account Of (Please print full name)
1920 8TH STREET LLC

Address

City, State, Zip Code

Date 2-5-08

Please Sign Here If Cash Received

BB&T WASHINGTON, DC
FEB 05 '08
080 U STREET

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL. Please enter your account number below

* 5162778635

→ USE FOR 10 DIGIT ACCOUNT NUMBER

F0008000280
(Rev. 09/15/03)

	Dollars	Cents
Currency/Coins		
Checks TGP	3000	00
Total	3000	00
Less: Cash Received		
Total Deposit $	3000	00

CLIENT COPY

CONFIDENTIAL

LA 00001230

BB&T Branch Banking and Trust Company

Account Deposit
☐ Checking ☐ Savings

		Dollars	Cents
Deposit To The Account Of (Please print full name) 1920 8TH STREET LLC	Currency/Coins		
Address	Checks TGP	3000	00
City, State, Zip Code			
Date 2-5-08 / Please Sign Here If Cash Received	Total	3000	00
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL — Please enter your account number below	Less: Cash Received		
* 5162778635	Total Deposit $	3000	00

F0008000260 (Rev. 08/15/03)

→ USE FOR 10 DIGIT ACCOUNT NUMBER

APM 01/07

⑆053101121⑆ ENTERED 33

TIHISHA GIRMAI PARKING OPERATION ACCOUNT
22 CANTERBURY SQ UNIT 302
ALEXANDRIA, VA 22304-3076

1123

Date 09-08-2009

Pay to the Order of 1920 8th St LLC $ 3,000.00/100

Three thousand and 00/100 Dollars

CHEVY CHASE BANK
BETHESDA, MARYLAND 20814

For Tihisha Girmai

⑆255073981⑆ 3594301605⑈ 1123

CONFIDENTIAL LA 00001231

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017294

*** Slip Sheet ***

Document

1920 8TH STREET LLC

*** Slip Sheet ***

Document

1920 8TH ST

2008

*** Slip Sheet ***

Document

Form **7004**
(Rev. December 2008)
Department of the Treasury
Internal Revenue Service

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

▶ File a separate application for each return.
▶ See separate instructions.

OMB No. 1545-0233

Type or Print

File by the due date for the return for which an extension is requested. See instructions.

Name: 1920 8TH STREET VENTURE LLC

Identifying number: 26-1504833

Number, street, and room or suite no. (If P.O. box, see instructions.): 4326 8TH ST NW

City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)): WASHINGTON DC 20011

Note. See instructions before completing this form.

Part I **Automatic 5-Month Extension** Complete if Filing Form 1065, 1041, or 8804

1a Enter the form code for the return that this application is for (see below) . . . 0 9

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate)	04
Form 8804	31	Form 1041 (trust)	05

Part II **Automatic 6-Month Extension** Complete if Filing Other Forms

b Enter the form code for the return that this application is for (see below) . . .

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-PC	21
Form 706-GS(T)	02	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120-C	34	Form 8613	29
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36
Form 1120-ND (section 4951 taxes)	20		

2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here . . . ▶ ☐

3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here . . . ▶ ☐
If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III **All Filers Must Complete This Part**

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here . ▶ ☐

5a The application is for calendar year 20 ____, or tax year beginning _____, 20 ____, and ending _____, 20 ____

b **Short tax year.** If this tax year is less than 12 months, check the reason:
☐ Initial return ☐ Final return ☐ Change in accounting period ☐ Consolidated return to be filed

6	Tentative total tax . . .	6	-0-
7	**Total** payments and credits (see instructions) . . .	7	-0-
8	**Balance due.** Subtract line 7 from line 6. **Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW)** (see instructions for exceptions) . . .	8	-0-

For Privacy Act and Paperwork Reduction Act Notice, see separate Instructions. Cat. No. 13804A Form **7004** (Rev. 12-2008)

CONFIDENTIAL LA 00001234

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017300

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

LAKRITZ | ADLER DEVELOPMENT LLC

4326 8th Street, NW
Washington, DC 20011

UNITED STATES POSTAGE
01.17 APR 10 09
MAILED FROM ZIP CODE 20011

Department of the Treasury
Internal Revenue Service Center
Cincinnati, OH 45999-0045

LA 00001235

WMATA-INV 017301

*** Slip Sheet ***

Document

Extension of Time to File a DC Franchise or Partnership Return
FR-128

		ENTER DOLLAR AMOUNTS ONLY	
1	Total estimated franchise tax liability for the tax period.	1	00
2	Estimated franchise tax payments *(include any tax overpayment credit).*	2	00
3	Other payments.	3	00
4	Total payments and credits *(add Lines 2 and 3).*	4	00
5	Balance due *(Line 1 minus Line 4). Payment in full must be submitted with this form or your request will be denied.* (Note: you will be subject to the failure-to-pay penalty and interest on any tax due and not paid with this form.)	5	00

▼ **Sign on the back of the FR-128 payment voucher.** ▼

Detach at perforation and mail the voucher, with payment attached, to the Office of Tax and Revenue.

Government of the District of Columbia

2008 FR-128 Extension of Time to File a DC Franchise or Partnership Return

0 8 1 2 8 0 1 1 0 0 0 0

Federal Employer I.D. Number: 26-1504833

Social Security Number (if self-employed):

Business Name: 1920 8TH STREET VENTURE LLC

Taxable year beginning MM/YY:

Taxable year ending MM/YY:

Business mailing address: 4326 8TH ST NW

City: WASHINGTON

State: DC

Zip Code +4: 20011

A 6-month extension of time to file until OCT 15, 2009, for calendar year 2008, or until _____, _____, for fiscal year ending _____, _____, is requested for the following return:

(fill in one): D-20 ● D-30 D-65

Payment submitted with this form ——— 00

Revised 10/08

2008 FR-128 P1
Extension of Time to File a DC Franchise or Partnership Return

CONFIDENTIAL

LA 00001236

INSTRUCTIONS

Purpose
Use Form FR-128 to request a 6-month extension of time to file a Corporation Franchise Tax Return (Form D-20), an Unincorporated Business Franchise Tax Return (Form D-30), or a Partnership Return of Income (Form D-65).

When to file
The request for an extension of time to file must be submitted no later than the due date of the return.

Where to submit your request
Mail the completed FR-128 with your payment in full of any tax due to: Office of Tax and Revenue, PO Box 7792, Washington, DC 20044-7792. Be sure to sign and date the FR-128. Make your payment out to the DC Treasurer. On the payment include your FEIN or SSN, FR-128 and the tax year.

Note: If you are a Qualified High Technology Company please submit a completed DC Form QHTC-CERT with your extension request.

Extension of time to file
A 6-month extension of time to file will be allowed if you complete this form properly, file it on time and **PAY** the full amount of any tax due shown on Line 5. When you file your return (D-20/D-30/D-65), attach a copy of the FR-128 which you filed. A separate extension request must be filed for each return. Blanket requests for extensions will not be accepted.

Federal extension forms
The Office of Tax and Revenue does not accept the federal application for an extension of time to file. **You must use DC Form FR-128.**

Additional extension of time
No additional extension of time to file will be granted beyond the 6-month extension unless the taxpayer is outside the continental limits of the United States. In that case, an additional extension of 6 months may be granted.

Signature
The request must be signed by:
- Corporations — any designated or authorized officer;
- Unincorporated businesses — any owner or member;
- Partnerships — any member;
- Paid preparers — must also provide your identification number.

Note: Receivers, trustees in bankruptcy, or assignees that are in control of the property, business or organization must sign the request for extension.

Detach and Mail

PLEASE SIGN HERE

Under penalties of law, I declare that I have examined this return and, to the best of my knowledge, it is correct. Declaration of paid preparer is based on the information available to the preparer.

Telephone Number of Person to Contact 202-882-0808

VP-FIN/ACCTG 4-10-09

Taxpayer(s) signature(s) (See instructions) Title Date

Paid Preparer's FEIN, SSN or PTIN

PAID PREPARER ONLY

Paid preparer's signature (If other than taxpayer) Date

Firm name Telephone Number of Paid Preparer

Firm address

Make check or money order payable to the DC Treasurer. Include your FEIN (or SSN), "FR-128" and tax year on the payment. Mail the voucher with payment attached to: Office of Tax and Revenue, PO Box 7792, Washington, DC 20044-7792.

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

LaKritz Adler

4326 8th Street NW
Washington, DC 20011

Office of Tax and Revenue
PO Box 7792
Washington, DC 20044-7792

LA 00001238

WMATA-INV 017305

*** Slip Sheet ***

Document

D-30 PAGE 2

Taxpayer Name: 1920 8TH STREET VENTURE LLC

FEIN or SSN: 26-1504833

0 8 0 3 0 0 1 2 0 0 0 2

ENTER DOLLAR AMOUNTS ONLY

TAXABLE INCOME

23	Net income. *Line 10 minus Line 22.*	Fill in if minus: X	23	139 879 .00
24	Net operating loss deduction *for years before 2000.*		24	.00
25	Net income after NOL deduction. *Line 23 minus Line 24.*	Fill in if minus: X	25	139 879 .00
26	(a) Non-business income. *Attach an allocation statement.*	Fill in if minus:	26a	.00
	(b) Minus: Related expense. *Attach an allocation statement.*		26b	.00
	(c) Subtract Line 26(b) from Line 26(a).	Fill in if minus:	26c	.00
27	Net income from trade or business subject to apportionment. *Line 25 minus Line 26(c).*	Fill in if minus: X	27	139 879 .00
28	DC apportionment factor *from D-30, Schedule F, Col 3, Line 5.*		28	1.000
29	Net income from trade or business apportioned to DC. *Multiply Line 27 by the factor on Line 28.*	Fill in if minus: X	29	139 879 .00
30	Portion of Line 26(c) attributable to DC. *Attach statement.*	Fill in if minus:	30	.00
31	Total District net income (loss). *Combine Lines 29 and 30.*	Fill in if minus: X	31	139 879 .00
32	Salary for owner(s) / member(s) services from D-30, Schedule J, Column 4.		32	.00
33	Exemption. *Maximum is $5000. Enter days in DC.* → 33a *If fewer than 365 days in DC, see page 10 for amount to claim.*		33	.00
34	Total taxable income before apportioned NOL deduction *Line 31 minus total of Lines 32 and 33.*	Fill in if minus: X	34	139 879 .00
35	Apportioned NOL deduction. *Losses occurring in year 2000 and later.*		35	.00
36	Total taxable income. *Line 34 minus Line 35.*	Fill in if minus: X	36	139 879 .00

TAX, PAYMENTS AND CREDITS

37	Tax *9.975% of Line 36. If less than $100 enter $100.*	37	100 .00
38	Minus Nonrefundable Credits from Schedule UB, Line 12.	38	.00
39	Net Tax (may not be less than $100).	39	100 .00
40	Payments and Refundable Credits:		
	(a) Tax paid, if any, with request for an extension of time to file or paid with original return if this is an amended return.	40a	.00
	(b) 2008 estimated franchise tax payments.	40b	.00
	(c) Refundable credits from Schedule UB, Line 13.	40c	.00
41	Add Lines 40(a), (b) and (c).	41	.00
42	Tax Due. *If Line 39 amount is larger, subtract Line 41 from Line 39.*	42	100 .00
43	Overpayment. *If Line 41 amount is larger, subtract Line 39 from Line 41.*	43	.00
44	Amount you want to apply to your 2009 estimated franchise tax.	44	.00
45	Amount to be refunded. *Line 43 minus Line 44.*	45	.00

Payment due return – make payment payable to the DC Treasurer. Include your FEIN/SSN, D-30 and tax year on the payment and attach it to the D-2030P voucher. Mail return and payment to PO Box 7572.

Refund or no payment due return – mail to PO Box 234. PO Box mail labels are provided with the return envelope.

Your return is due by the 15th day of the fourth month following the close of your tax year.

PLEASE SIGN HERE

Under penalties of law, I declare that I have examined this return and, to the best of my knowledge, it is correct. Declaration of paid preparer is based on the information available to the preparer.

Officer's signature: MANAGING MEMBER Title: Date: 7-15-09 Telephone number of person to contact

PAID PREPARER ONLY

Preparer's signature (if other than taxpayer) Date Firm name Firm address

Preparer's FEIN, SSN or PTIN

If you want to allow the preparer to discuss this return with the Office of Tax and Revenue fill in the oval.

CONFIDENTIAL LA 00001239

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017307

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

1920 8th Street Venture LLC

4326 8th Street NW
Washington, DC 20011

D.C. TREASURER
P.O. BOX 7572
WASHINGTON, DC 20044-7572

LA 00001240

WMATA-INV 017308

*** Slip Sheet ***

Document

Form **1065**

Department of the Treasury
Internal Revenue Service

U.S. Return of Partnership Income

For calendar year 2008, or tax year beginning _____, 2008, ending _____, 20 ____.
► See separate instructions.

OMB No.1545-0099

2008

A Principal business activity: Rental Real Estate	Use the IRS label. Otherwise, print or type. Name of partnership: 1920 8th Street Venture LLC	**D** Employer identification number: 26-1504833
B Principal product or service: Commercial real estate	Number, street, and room or suite number. If a P.O. box, see the instructions.: 4326 8th Street NW	**E** Date business started: 08/06/07
C Business code number: 531110	City or town: Washington; State: DC; ZIP code: 20011	**F** Total assets (see instrs): $

G Check applicable boxes: (1) [ ] Initial return (2) [ ] Final return (3) [ ] Name change (4) [ ] Address change (5) [ ] Amended return
(6) [ ] Technical termination - also check (1) or (2)

H Check accounting method: (1) [ ] Cash (2) [X] Accrual (3) [ ] Other (specify) ..... ►

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ..... ► 2

J Check if Schedule M-3 attached ..... [ ]

Caution. *Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.*

INCOME	1a	Gross receipts or sales	1a		
	b	Less returns and allowances	1b		1c	
	2	Cost of goods sold (Schedule A, line 8)			2	
	3	Gross profit. Subtract line 2 from line 1c			3	
	4	Ordinary income (loss) from other partnerships, estates, and trusts *(attach statement)*			4	
	5	Net farm profit (loss) *(attach Schedule F (Form 1040))*			5	
	6	Net gain (loss) from Form 4797, Part II, line 17 *(attach Form 4797)*			6	
	7	Other income (loss) *(attach statement)*			7	
	8	**Total income (loss).** Combine lines 3 through 7			8	
DEDUCTIONS (SEE INSTRUCTIONS FOR LIMITATIONS)	9	Salaries and wages (other than to partners) (less employment credits)			9	
	10	Guaranteed payments to partners			10	
	11	Repairs and maintenance			11	
	12	Bad debts			12	
	13	Rent			13	
	14	Taxes and licenses			14	
	15	Interest			15	
	16a	Depreciation *(if required, attach Form 4562)*	16a			
	b	Less depreciation reported on Schedule A and elsewhere on return	16b		16c	
	17	Depletion **(Do not deduct oil and gas depletion.)**			17	
	18	Retirement plans, etc			18	
	19	Employee benefit programs			19	
	20	Other deductions *(attach statement)*		*STMT	20	1,050.
	21	**Total deductions.** Add the amounts shown in the far right column for lines 9 through 20			21	1,050.
	22	**Ordinary business income (loss).** Subtract line 21 from line 8			22	-1,050.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

► _____ ► 7-15-09
Signature of general partner or limited liability company member manager — Date

May the IRS discuss this return with the preparer shown below (see instrs)? [ ] Yes [ ] No

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ► [ ]	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code ► Self-Prepared		EIN ►	
		Phone no.	

BAA For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. PTPA0112 03/05/09 Form **1065** (2008)

CONFIDENTIAL LA 00001241

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

1920 8th Street Venture LLC
c/o LAKRITZ | ADLER DEVELOPMENT LLC
4326 8th Street, NW
Washington, DC 20011

01.22 JUL 15 09
MAILED FROM ZIP CODE 20011

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE CENTER
CINCINNATI, OH 45999-0011

LA 00001242

WMATA-INV 017311

*** Slip Sheet ***

Document

Government of the District of Columbia

2008 D-30 Unincorporated Business Franchise Tax Return

0 8 0 3 0 0 1 1 0 0 0 2

OFFICIAL USE

Important: Print in CAPITAL letters using black ink.

Taxpayer Identification Number: 26-1504833

Fill in ● if FEIN Fill in ○ if SSN NAICS CODE fill in

Business name: 1920 8TH STREET VENTURE LLC

Taxable year beginning MMYY: 0108 Taxable year ending MMYY: 1208

Business address line #1: 4326 8TH ST NW

Fill in if Amended Return

Fill in if Certified QHTC

Fill in If Final Return

Business address line #2

City: WASHINGTON State: DC Zip Code + 4: 20011

Mailing address line #1

Number of business locations

Mailing address line #2

In DC

Outside DC

City State Zip Code + 4

•READ INSTRUCTIONS BEFORE PREPARING RETURN•

IF LINE 10 IS $12,000 OR LESS, NO TAX IS DUE – DO NOT FILE A RETURN.

Enter dollar amounts only.
If the amount is zero, leave line blank; if it is a minus, fill in the oval.

GROSS INCOME	1	Gross receipts, minus returns and allowances.		1 $ .00
	2	Cost of goods sold (from D-30, Schedule A) and/or operations.		2 $ .00
	3	Gross profit. *Line 1 minus Line 2.*	Fill in if minus:	3 $ .00
	4	Dividends. *Minus Subpart F income (Attach statement).*		4 $ .00
	5	Interest. *Attach statement showing calculations.*		5 $ .00
	6	Gross rental income *from Schedule D, Column 3, Line 7.*	Fill in if minus:	6 $ 36 000 .00
	7	Net royalties. *Attach statement.*		7 $ .00
	8(a)	Net capital gain. *Attach a copy of your federal Schedule D.*		8a $ .00
	(b)	Ordinary gain (loss) from Part II, fed. form 4797, *attach copy*	Fill in if minus:	8b $ .00
	9	Other income. *Attach a detailed statement.*	Fill in if minus:	9 $ .00
	10	Total gross income. *Add Lines 3–9.*	Fill in if minus:	10 $ 36 000 .00
DEDUCTIONS	11	Salaries and wages *(Do not include owner(s)/member(s)).*		11 $ .00
	12	Repairs.		12 $ .00
	13	Bad debts. *Attach a copy of any statement filed with your federal return.*		13 $ .00
	14(a)	Royalty payments made	00	
	(b)	Minus payments to related entities	00	
			Enter result	14 $ .00
	15	Rent.		15 $ .00
	16	Taxes *from D-30, Schedule C.*		16 $ .00
	17	Interest expense *from D-30, Schedule E.*		17 $ .00
	18	Contributions and/or gifts *from D-30, Schedule B.*		18 $ .00
	19	Amortization. *Attach a copy of your federal Form 4562, Part VI.*		19 $ .00
	20	Depreciation. *Attach a copy of your federal Form 4562. Do not include the additional sec. 179 expenses or federal bonus depreciation.*		20 $ .00
	21	Other allowable deductions *from D-30, Schedule G.*		21 $ 175 879 .00
	22	Total deductions. *Add Lines 11–21.*		22 $ 175 879 .00

CONFIDENTIAL

LA 00001243

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017313

D-30 PAGE 2

Taxpayer Name: 1920 8TH STREET VENTURE LLC

FEIN or SSN: 26-1504833

0 8 0 3 0 0 1 2 0 0 0 2

ENTER DOLLAR AMOUNTS ONLY

TAXABLE INCOME	23 Net income. *Line 10 minus Line 22.*	Fill in if minus: X	23	139 879 .00
	24 Net operating loss deduction *for years before 2000.*		24	.00
	25 Net income after NOL deduction. *Line 23 minus Line 24.*	Fill in if minus: X	25	139 879 .00
	26 (a) Non-business income. *Attach an allocation statement.*	Fill in if minus:	26a	.00
	(b) Minus: Related expense. *Attach an allocation statement.*		26b	.00
	(c) Subtract Line 26(b) from Line 26(a).	Fill in if minus:	26c	.00
	27 Net income from trade or business subject to apportionment. *Line 25 minus Line 26(c).*	Fill in if minus: X	27	139 879 .00
	28 DC apportionment factor *from D-30, Schedule F, Col 3, Line 5.*		28	1.000
	29 Net income from trade or business apportioned to DC. *Multiply Line 27 by the factor on Line 28.*	Fill in if minus: X	29	139 879 .00
	30 Portion of Line 26(c) attributable to DC. *Attach statement.*	Fill in if minus:	30	.00
	31 Total District net income (loss). *Combine Lines 29 and 30.*	Fill in if minus: X	31	139 879 .00
	32 Salary for owner(s) / member(s) services from D-30, Schedule J, Column 4.		32	.00
	33 Exemption. *Maximum is $5000. Enter days in DC.* → 33a *If fewer than 365 days in DC, see page 10 for amount to claim.*		33	.00
	34 Total taxable income before apportioned NOL deduction *Line 31 minus total of Lines 32 and 33.*	Fill in if minus: X	34	139 879 .00
	35 Apportioned NOL deduction. *Losses occurring in year 2000 and later.*		35	.00
	36 Total taxable income. *Line 34 minus Line 35.*	Fill in if minus: X	36	139 879 .00
TAX, PAYMENTS AND CREDITS	37 Tax *9.975% of Line 36. If less than $100 enter $100.*		37	100 .00
	38 Minus Nonrefundable Credits from Schedule UB, Line 12.		38	.00
	39 Net Tax (may not be less than $100).		39	100 .00
	40 Payments and Refundable Credits: (a) Tax paid, if any, with request for an extension of time to file or paid with original return if this is an amended return.		40a	.00
	(b) 2008 estimated franchise tax payments.		40b	.00
	(c) Refundable credits from Schedule UB, Line 13.		40c	.00
	41 Add Lines 40(a), (b) and (c).		41	.00
	42 Tax Due. *If Line 39 amount is larger, subtract Line 41 from Line 39.*		42	100 .00
	43 Overpayment. *If Line 41 amount is larger, subtract Line 39 from Line 41.*		43	.00
	44 Amount you want to apply to your 2009 estimated franchise tax.		44	.00
	45 Amount to be refunded. *Line 43 minus Line 44.*		45	.00

Payment due return – make payment payable to the DC Treasurer. Include your FEIN/SSN, D-30 and tax year on the payment and attach it to the D-2030P voucher. Mail return and payment to PO Box 7572.

Refund or no payment due return – mail to PO Box 234. PO Box mail labels are provided with the return envelope.

Your return is due by the 15th day of the fourth month following the close of your tax year.

PLEASE SIGN HERE

Under penalties of law, I declare that I have examined this return and, to the best of my knowledge, it is correct. Declaration of paid preparer is based on the information available to the preparer.

Officer's signature | Title | Date | Telephone number of person to contact

PAID PREPARER ONLY

Preparer's signature (if other than taxpayer) | Date | Firm name | Firm address

Preparer's FEIN, SSN or PTIN

If you want to allow the preparer to discuss this return with the Office of Tax and Revenue fill in the oval.

CONFIDENTIAL LA 00001244

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017314

0 8 0 3 0 0 1 3 0 0 0 2

Round cents to the nearest dollar. If an amount is zero, make no entry.

Schedule A - COST OF GOODS SOLD (See specific instructions for Line 2.)

1. Inventory at beginning of year (if different from last year's closing inventory, attach an explanation).	$
2. Purchases ..... $ _____ Minus cost of items withdrawn for personal use ..... $ _____ Enter result here →	
3. Cost of Labor.	
4. Material and supplies.	
5. Other costs (attach statement) – (Additional 30% and 50% federal bonus depreciation and additional IRC §179 expenses are not allowed.)	
6. Total of lines 1 through 5.	$
7. Inventory at end of year.	$
8. Cost of goods sold (Line 6 minus Line 7). Enter here and on D-30, Line 2. Method of inventory valuation used	$

Schedule B - CONTRIBUTIONS AND/OR GIFTS (See specific instructions for Line 18.)

	$		$
		TOTAL (Limited to 15% of net income – also enter on D-30, Line 18.)	$

Schedule C - TAXES (See specific instructions for Line 16.)

Type of Tax	Amount	Type of Tax	Amount
	$		$
TOTAL (Enter on D-30, page 1, Line 16, that portion of the total not included below in Schedule D, col. 6.)			$

Schedule D - INCOME FROM RENT

Col. 1 Address of Property	Col. 2 Kind of Property	Col. 3 Gross Amount of Rent	Col. 4 Depreciation* or Amortization (Per Federal Form 4562)	Col. 5 Repairs (Explain in Sch. D-1)	Col. 6 Taxes, Interest and other Expenses* (Explain in Sch. D-1)
1. 1920 8TH ST NW	VAC. LOT	$ 36,000	$	$	$ 175,879
2.					
3.					
4.					
5.					
6.					
7. TOTAL		$ 36,000	$	$	$ 175,879
8. ENTER RESULT OF COLUMN 3 minus columns 4, 5 and 6 (Also enter on D-30, Line 6.)					$ (139,879)

***exclude federal 30% and 50% bonus depreciation and additional IRC §179 expenses deductions.**

Schedule D-1 - Explanation of expenses claimed in Columns 5 and 6 of Schedule D.

Column No.	Explanation	Amount	Column No.	Explanation	Amount
6	INSURANCE	$ 14	6	ACCOUNTING FEES	$ 900
6	LEGAL + PROF. FEES	3865	6	BUS. LICENSES + FEES	150
6	RIE TAXES	59,397			
6	CONTRIBUTIONS	200			
6	GROUND LEASE RENT	37500			
6	LEASE SUBORDINATION FEES	62,500			
6	AMORTIZATION	11,353			

CONFIDENTIAL LA 00001245

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017315

0 8 0 3 0 0 1 4 0 0 0 2

Round cents to the nearest dollar.

Schedule E - Interest expense (See specific instructions for Line 17.)

Name and Address of Payee	Amount	Name and Address of Payee	Amount
	$		$

TOTAL (Enter on D-30, Line 17, that portion of the total not included in Schedule D, col 6.) . . . . . $

Schedule F - DC apportionment factor (See page 10 of the instructions.)

Round cents to the nearest dollar. If an amount is zero, leave the line blank.

Carry all factors to six decimal places

	Column 1 TOTAL	*Column 2 in DC*	*Column 3 Factor* (Column 2 divided by Column 1)
1. **PROPERTY FACTOR:** Average value of real estate and tangible personal property owned or rented to and used by the unincorporated business.	$ .00	$ .00	
2. **PAYROLL FACTOR:** Total compensation paid or accrued by the unincorporated business.	$ .00	$ .00	
3. **SALES FACTOR:** All gross receipts of the unincorporated business other than gross receipts from items of non-business income.	$ .00	$ .00	
4. **SUM OF FACTORS:** (Add Column 3.)			
5. **DC APPORTIONMENT FACTOR:** Line 4 divided by 3 if there are 3 denominators. If fewer than 3, divide Line 4 by that number.			

Schedule G - Other allowable deductions

Nature of Deduction	Amount
RENTAL EXPENSES	$175 879
TOTAL (Also enter on D-30, Line 21.)	$175 879

Schedule H - Income not reported (claimed as nontaxable) (See page 11 of instructions.)

Nature of Income	Amount
	$
TOTAL	$

Schedule I - BALANCE SHEETS (See page 11 of Instructions.)

		BEGINNING OF TAX YEAR		END OF TAX YEAR	
		AMOUNT	TOTAL	AMOUNT	TOTAL
Assets	1. Cash.				
	2. Trade notes and accounts receivable.				
	(a) MINUS: Allowance for bad debts.				
	3. Inventories.				
	4. Gov't obligations: (a) U.S. and its instrumentalities.				
	(b) States, subdivisions thereof, etc.				
	5. Other current assets (attach statement).				
	6. Mortgage and real estate loans.				
	7. Other investments.				
	8. Buildings and other fixed depreciable assets.				
	(a) MINUS: Accumulated depreciation.				
	9. Depletable assets				
	(a) MINUS: Accumulated depletion.				
	10. Land (net of any amortization).				
	11. Intangible assets (amortizable only).				
	(a) MINUS: Accumulated amortization.				
	12. Other assets (attach statement).				
	13. TOTAL ASSETS.				
Liabilities - Capital	14. Accounts payable.				
	15. Mortgages, notes, bonds payable in less than 1 year.				
	16. Other current liabilities (attach statement).				
	17. Mortgages, notes, bonds payable in 1 year or more.				
	18. Other liabilities (attach statement).				
	19. Capital.				
	20. TOTAL LIABILITIES AND CAPITAL.				

CONFIDENTIAL

LA 00001246

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017316

0 8 0 3 0 0 1 5 0 0 0 2

Round cents to the nearest dollar.

Schedule J - DISTRIBUTION AND RECONCILIATION OF NET INCOME (OR LOSS)

Col. 1 Name and Address of Owner(s)/ Member(s)	Social Security Number	Col. 2 Percentage of Time Devoted to this Business	Col. 3 Percentage of Ownership	Col. 4 Salary Claimed	Col. 5 Exemption Claimed	Col. 6 Net Loss DC Sources	Col. 7 Net Income (or Loss) from Outside DC	Col. 8 Total Income (or Loss) Not Taxable the Unincorporated Business (Add Cols. 4 thru 7)
ROBB LAKRITZ 4326 8TH ST NW WASH., DC 20011	386-96-5203	%	50 %	$	$	$(69940)	$	$
JOSHUA A ADLER 2158 FLA AVE NW WASH, DC	220-08-5504		50			(69,939)		
TOTAL				$	$	$(139,879)	$	$

Col. 4 - See page 9 of Instructions.
Col. 5 - See page 10 of Instructions.
Col. 6 - Any loss amount from Line 31 of D-30.
Col. 7 - Enter the difference between Line 25 and Line 31 of D-30.

Enter total taxable income as shown on Line 34 of D-30. $(139,879)

Net Income of Unincorporated Business from both within and outside DC (from Line 25 of D-30) $(139,879)

SUPPLEMENTAL INFORMATION

1. During 2008, has the Internal Revenue Service made or proposed any adjustments to your federal income tax returns, or did you file any amended returns with the Internal Revenue Service? Yes ○ No ●
   If "Yes", submit separately an amended Form D-30 and a detailed statement, concerning adjustments, to the Office of Tax and Revenue, PO Box 7572, Washington, DC 20044-7572.

2. PRINCIPAL BUSINESS ACTIVITY: RENTAL REAL ESTATE
3. DATE BUSINESS BEGAN: 08/06/07
4. IF BUSINESS HAS TERMINATED, STATE REASON:
5. TERMINATION DATE:
6. TYPE OF OWNERSHIP (sole proprietor, partnership, etc.): LLC

7. Place where federal income tax return for period covered by this return was filed: CINCINNATI, OH
8. Name(s) under which federal return for period covered by this return was filed: 1920 8TH STREET VENTURE LLC
9. Have you filed annual Federal Information Returns, (forms 1096 and 1099) pertaining to compensation payments for 2008? Yes ● No ○ If no, please state reason:
10. Is this return reported on the accrual basis? Yes ● No ○ If no, fill in the method used: ○ Cash basis ○ Other (specify)
11. Did you withhold DC income tax from the wages of your DC employees during 2008? Yes ○ No ● If no, state reason: NO EMPLOYEES
12. Did you file a franchise tax return for the business with the District of Columbia for the year 2007? Yes ○ No ● If no, state reason: FILED FORM D-65
    If yes, enter name under which return was filed:
13. Does this return include income from more than one business conducted by the taxpayer? Yes ○ No ●
    (If yes, list businesses and net income (loss) of each.)
14. Is income from any other business or business interest owned by the proprietors of this business being reported in a separate return? Yes ○ No ●
    (If yes, list names and addresses of the other businesses.)
15. Is this business an adjunct of a corporation, or affiliated with any corporation? Yes ○ No ●
    (If yes, explain affiliation to stockholders and proprietors.)

CONFIDENTIAL LA 00001247

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017317

*** Slip Sheet ***

Document

Instructions for Filing
2008 U.S. Partnership Return of Income

June 12, 2009

Signature:

A general partner or a limited liability company member should sign and date the return at the bottom of the first page.

Due Date:

File your 2008 Form 1065 on or before: April 15, 2009

(Note: Your state return may be due on a different date. Please review your state filing instructions.)

The IRS may treat tax returns that are lost in the mail as not filed on time, unless you send them by registered or certified mail. To avoid the risk of your tax return being lost, mail it via (1) certified U.S. mail, return receipt requested, or (2) one of the private delivery services listed in the IRS instructions under "When to File." Save the receipt, and you will be presumed to have timely filed your return - even if it is not received by the IRS.

FILE COPY

Filing:

File your 2008 Form 1065, U.S. Partnership Return of Income, with:

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE CENTER
Cincinnati, OH 45999-0011

Prior to filing your return, make sure you have reviewed the return for omissions or misstatements of material information.

Print Extra Copies For:

Partners: Print an extra copy of the Schedules K-1 and partner transmittal letter to give to each of your partners.

State Return: Some state taxing agencies require that you attach a copy of your federal Form 1065 to your state partnership return. If your state requires a copy of the federal Form 1065, make sure an additional filing copy has been printed and attached to the state return.

Your Records: Always print an extra copy of your return for your records.

Tax Due or Refund:

No tax is due with your Federal income tax return.

Other Instructions:

Elections: If you have completed any election forms, you will need to attach a copy of each to your return.

Form **1065**

Department of the Treasury
Internal Revenue Service

U.S. Return of Partnership Income

For calendar year 2008, or tax year beginning _____, 2008, ending _____, 20 ____.
► See separate instructions.

OMB No.1545-0099

2008

A Principal business activity: Rental Real Estate	Use the IRS label. Otherwise, print or type.	Name of partnership: 1920 8th Street Venture LLC	**D** Employer identification number: 26-1504833
B Principal product or service: Commercial real estate		Number, street, and room or suite number. If a P.O. box, see the instructions.: 4326 8th Street NW	**E** Date business started: 08/06/07
C Business code number: 531110		City or town: Washington State: DC ZIP code: 20011	**F** Total assets (see instrs): $

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return
(6) ☐ Technical termination - also check (1) or (2)

H Check accounting method: (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other (specify) ..... ►

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ..... ► 2

J Check if Schedule M-3 attached ..... ☐

Caution. *Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.*

INCOME	1a Gross receipts or sales	1a		
	b Less returns and allowances	1b	1c	
	2 Cost of goods sold (Schedule A, line 8)		2	
	3 Gross profit. Subtract line 2 from line 1c		3	
	4 Ordinary income (loss) from other partnerships, estates, and trusts *(attach statement)*		4	
	5 Net farm profit (loss) *(attach Schedule F (Form 1040))*		5	
	6 Net gain (loss) from Form 4797, Part II, line 17 *(attach Form 4797)*		6	
	7 Other income (loss) *(attach statement)*		7	
	8 **Total income (loss).** Combine lines 3 through 7		8	
DEDUCTIONS (SEE INSTRUCTIONS FOR LIMITATIONS)	9 Salaries and wages (other than to partners) (less employment credits)		9	
	10 Guaranteed payments to partners		10	
	11 Repairs and maintenance		11	
	12 Bad debts		12	
	13 Rent		13	
	14 Taxes and licenses		14	
	15 Interest		15	
	16a Depreciation *(if required, attach Form 4562)*	16a		
	b Less depreciation reported on Schedule A and elsewhere on return	16b	16c	
	17 Depletion **(Do not deduct oil and gas depletion.)**		17	
	18 Retirement plans, etc		18	
	19 Employee benefit programs		19	
	20 Other deductions *(attach statement)* *..STMT		20	1,050.
	21 **Total deductions.** Add the amounts shown in the far right column for lines 9 through 20		21	1,050.
	22 **Ordinary business income (loss).** Subtract line 21 from line 8		22	-1,050.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

► Signature of general partner or limited liability company member manager ► Date

May the IRS discuss this return with the preparer shown below (see instrs)? ☐ Yes ☐ No

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ► ☐	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code ► Self-Prepared			EIN ►
			Phone no.

BAA For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. PTPA0112 03/05/09 Form **1065** (2008)

CONFIDENTIAL LA 00001249

Schedule A Cost of Goods Sold (see the instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	2	
3	Cost of labor	3	
4	Additional section 263A costs *(attach statement)*	4	
5	Other costs *(attach statement)*	5	
6	**Total.** Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	**Cost of goods sold.** Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (specify method used and attach explanation) ►

b Check this box if there was a writedown of 'subnormal' goods as described in Regulations section 1.471-2(c) ► ☐

c Check this box if the LIFO inventory method was adopted this tax year for any goods *(if checked, attach Form 970)* ► ☐

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ☐ Yes ☐ No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No

If 'Yes,' attach explanation

Schedule B Other Information

	Yes	No
1 What type of entity is filing this return? Check the applicable box:		
a ☐ Domestic general partnership b ☐ Domestic limited partnership		
c ☒ Domestic limited liability company d ☐ Domestic limited liability partnership		
e ☐ Foreign partnership f ☐ Other ►		
2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?		X
3 At the end of the tax year:		
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), or trust own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v) below		X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

	Yes	No
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (iv) below	X	

(i) Name of Individual or Estate	(ii) Social Security Number or Employer Identification Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
Joshua Adler	220-08-5504	United States	50.0000
Robb LaKritz	386-96-5203	United States	50.0000

	Yes	No
4 At the end of the tax year, did the partnership:		
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (iv) below		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

CONFIDENTIAL LA 00001250

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017321

	Yes	No
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v) below		X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details		X
6 Does this partnership satisfy **all four** of the following conditions?		
a The partnership's total receipts for the tax year were less than $250,000.		
b The partnership's total assets at the end of the tax year were less than $1 million.		
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
d The partnership is not filing and is not required to file Schedule M-3	X	
If 'Yes,' the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.		
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
10 At any time during calendar year 2008, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If 'Yes,' enter the name of the foreign country. ►		X
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If 'Yes,' attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If 'Yes,' attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (including a disregarded entity) ► ☐		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in a partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ►		
16 Does the partnership have any foreign partners? If 'Yes,' enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ►		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return ►		

Designation of Tax Matters Partner (see the instructions)
Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ► Identifying number of TMP ►

Address of designated TMP ►

Schedule K Partners' Distributive Share Items

				Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)		1	-1,050.
	2 Net rental real estate income (loss) *(attach Form 8825)*		2	-138,829.
	3a Other gross rental income (loss)	3a		
	b Expenses from other rental activities *(attach stmt)*	3b		
	c Other net rental income (loss). Subtract line 3b from line 3a		3c	
	4 Guaranteed payments		4	
	5 Interest income		5	
	6 Dividends: a Ordinary dividends		6a	
	b Qualified dividends	6b		
	7 Royalties		7	
	8 Net short-term capital gain (loss) *(attach Schedule D (Form 1065))*		8	
	9a Net long-term capital gain (loss) *(attach Schedule D (Form 1065))*		9a	
	b Collectibles (28%) gain (loss)	9b		
	c Unrecaptured section 1250 gain *(attach statement)*	9c		
	10 Net section 1231 gain (loss) *(attach Form 4797)*		10	
	11 Other income (loss) *(see instructions)* Type ►		11	
Deductions	12 Section 179 deduction *(attach Form 4562)*		12	
	13a Contributions		13a	
	b Investment interest expense		13b	
	c Section 59(e)(2) expenditures: (1) Type ► (2) Amount ►		13c (2)	
	d Other deductions *(see instructions)* Type ►		13d	
Self-Employment	14a Net earnings (loss) from self-employment		14a	-1,050.
	b Gross farming or fishing income		14b	
	c Gross nonfarm income		14c	
Credits	15a Low-income housing credit (section 42(j)(5))		15a	
	b Low-income housing credit (other)		15b	
	c Qualified rehabilitation expenditures (rental real estate) *(attach Form 3468)*		15c	
	d Other rental real estate credits *(see instructions)* Type ►		15d	
	e Other rental credits *(see instructions)* Type ►		15e	
	f Other credits *(see instructions)* Type ►		15f	
Foreign Transactions	16a Name of country or U.S. possession ►			
	b Gross income from all sources		16b	
	c Gross income sourced at partner level		16c	
	Foreign gross income sourced at partnership level			
	d Passive category ► e General category ► f Other ►		16f	
	Deductions allocated and apportioned at partner level			
	g Interest expense ► h Other ►		16h	
	Deductions allocated and apportioned at partnership level to foreign source income			
	i Passive category ► j General category ► k Other ►		16k	
	l Total foreign taxes (check one): ► Paid ☐ Accrued ☐		16l	
	m Reduction in taxes available for credit *(attach statement)*		16m	
	n Other foreign tax information *(attach statement)*			
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment		17a	
	b Adjusted gain or loss		17b	
	c Depletion (other than oil and gas)		17c	
	d Oil, gas, and geothermal properties – gross income		17d	
	e Oil, gas, and geothermal properties – deductions		17e	
	f Other AMT items *(attach stmt)*		17f	
Other Information	18a Tax-exempt interest income		18a	
	b Other tax-exempt income		18b	
	c Nondeductible expenses		18c	
	19a Distributions of cash and marketable securities		19a	
	b Distributions of other property		19b	
	20a Investment income		20a	
	b Investment expenses		20b	
	c Other items and amounts *(attach stmt)*			

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l	1	-139,879.

2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a General partners						
b Limited partners		-139,879.				

Schedule L Balance Sheets per Books

Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach stmt)				
7 Mortgage and real estate loans				
8 Other investments (attach stmt)				
9a Buildings and other depreciable assets				
b Less accumulated depreciation				
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach stmt)				
14 Total assets				
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach stmt)				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach stmt)				
21 Partners' capital accounts				
22 Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1 Net income (loss) per books		6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize): a Tax-exempt interest $	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):			
3 Guaranteed pmts (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize): a Depreciation $	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize): a Depreciation $ b Travel and entertainment $		8 Add lines 6 and 7	
5 Add lines 1 through 4		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year		6 Distributions: a Cash	
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books			
4 Other increases (itemize):		8 Add lines 6 and 7	
5 Add lines 1 through 4		9 Balance at end of year. Subtract line 8 from line 5	

CONFIDENTIAL LA 00001253

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017324

Form **8825**
(Rev December 2006)
Department of the Treasury
Internal Revenue Service

Rental Real Estate Income and Expenses of a Partnership or an S Corporation

► See instructions.
► Attach to Form 1065, Form 1065-B, or Form 1120S.

OMB No. 1545-1186

Name	Employer identification number
1920 8th Street Venture LLC	26-1504833

1 Show the kind and location of each property. See page 2 to list additional properties.

A Vacant Lot
1920 8th Street NW

B

C

D

Rental Real Estate Income		Properties A	B	C	D
2 Gross rents	2	36,000.			
Rental Real Estate Expenses					
3 Advertising	3				
4 Auto and travel	4				
5 Cleaning and maintenance	5				
6 Commissions	6				
7 Insurance	7	14.			
8 Legal and other professional fees	8	3,865.			
9 Interest	9				
10 Repairs	10				
11 Taxes	11	59,397.			
12 Utilities	12				
13 Wages and salaries	13				
14 Depreciation (see instructions)	14				
15 Other (list) ► Contributions	15	200.			
Ground Lease Rent	15	37,500.			
Lease Subordination Fees	15	62,500.			
Amortization	15	11,353.			
16 Total expenses for each property. Add lines 3 through 15	16	174,829.			

17 Total gross rents. Add gross rents from line 2, columns A through H	17	36,000.
18 Total expenses. Add total expenses from line 16, columns A through H	18	-174,829.
19 Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities	19	
20a Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1)	20a	
b Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed: (1) Name (2) Employer identification number		
21 Net rental real estate income (loss). Combine lines 17 through 20a. Enter the result here and on: • **Form 1065 or 1120S:** Schedule K, line 2, or • **Form 1065-B:** Part I, line 4	21	-138,829.

BAA For Paperwork Reduction Act Notice, see the separate instructions.

Form **8825** (12-2006)

SPSZ0101 12/15/06

651108

☐ Final K-1 ☐ Amended K-1 OMB No. 1545-0099

Schedule K-1 (Form 1065)

Department of the Treasury Internal Revenue Service

2008

For calendar year 2008, or tax year beginning _____, 2008 ending _____, _____

Partner's Share of Income, Deductions, Credits, etc.

► See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
26-1504833

B Partnership's name, address, city, state, and ZIP code
1920 8th Street Venture LLC
4326 8th Street NW
Washington, DC 20011

C IRS Center where partnership filed return
Cincinnati, OH

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
220-08-5504

F Partner's name, address, city, state, and ZIP code
Joshua Adler
2151 Florida Ave NW
Washington, DC 20008

G ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member

H ☒ Domestic partner ☐ Foreign partner

I What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	50.00000 %	50.00000 %
Loss	50.00000 %	50.00000 %
Capital	50.00000 %	50.00000 %

K Partner's share of liabilities at year end:
Nonrecourse ..... $
Qualified nonrecourse financing ..... $
Recourse ..... $

L Partner's capital account analysis:
Beginning capital account ..... $
Capital contributed during the year ..... $
Current year increase (decrease) ..... $
Withdrawals and distributions ..... $
Ending capital account ..... $

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss) -525.	15	Credits
2	Net rental real estate income (loss) -69,414.		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
12	Section 179 deduction	19	Distributions
13	Other deductions	20	Other information
14 A	Self-employment earnings (loss) -525.		

*See attached statement for additional information.

FOR IRS USE ONLY

BAA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2008

PTPA0312 12/15/08

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

		Report on
1	**Ordinary business income (loss).** Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.	
	Passive loss	See the Partner's Instructions
	Passive income	Schedule E, line 28, column (g)
	Nonpassive loss	Schedule E, line 28, column (h)
	Nonpassive income	Schedule E, line 28, column (j)
2	**Net rental real estate income (loss)**	See the Partner's Instructions
3	**Other net rental income (loss)**	
	Net income	Schedule E, line 28, column (g)
	Net loss	See the Partner's Instructions
4	**Guaranteed payments**	Schedule E, line 28, column (j)
5	**Interest income**	Form 1040, line 8a
6a	**Ordinary dividends**	Form 1040, line 9a
6b	**Qualified dividends**	Form 1040, line 9b
7	**Royalties**	Schedule E, line 4
8	**Net short-term capital gain (loss)**	Schedule D, line 5, column (f)
9a	**Net long-term capital gain (loss)**	Schedule D, line 12, column (f)
9b	**Collectibles (28%) gain (loss)**	28% Rate Gain Worksheet, line 4 (Schedule D Instructions)
9c	**Unrecaptured section 1250 gain**	See the Partner's Instructions
10	**Net section 1231 gain (loss)**	See the Partner's Instructions
11	**Other income (loss)**	
	Code	
	A Other portfolio income (loss)	See the Partner's Instructions
	B Involuntary conversions	See the Partner's Instructions
	C Section 1256 contracts and straddles	Form 6781, line 1
	D Mining exploration costs recapture	See Pub 535
	E Cancellation of debt	Form 1040, line 21 or Form 982
	F Other income (loss)	See the Partner's Instructions
12	**Section 179 deduction**	See the Partner's Instructions
13	**Other deductions**	
	A Cash contributions (50%)	See the Partner's Instructions
	B Cash contributions (30%)	
	C Noncash contributions (50%)	
	D Noncash contributions (30%)	
	E Capital gain property to a 50% organization (30%)	
	F Capital gain property (20%)	
	G Contributions (100%)	
	H Investment interest expense	Form 4952, line 1
	I Deductions — royalty income	Schedule E, line 18
	J Section 59(e)(2) expenditures	See the Partner's Instructions
	K Deductions — portfolio (2% floor)	Schedule A, line 23
	L Deductions — portfolio (other)	Schedule A, line 28
	M Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29
	N Educational assistance benefits	See the Partner's Instructions
	O Dependent care benefits	Form 2441, line 14
	P Preproductive period expenses	See the Partner's Instructions
	Q Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions
	R Pensions and IRAs	See the Partner's Instructions
	S Reforestation expense deduction	See the Partner's Instructions
	T Domestic production activities information	See Form 8903 Instructions
	U Qualified production activities income	Form 8903, line 7
	V Employer's W-2 wages	Form 8903, line 15
	W Other deductions	See the Partner's Instructions
14	**Self-employment earnings (loss)**	

Note. *If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.*

	A Net earnings (loss) from self-employment	Schedule SE, Section A or B
	B Gross farming or fishing income	See the Partner's Instructions
	C Gross non-farm income	See the Partner's Instructions
15	**Credits**	
	A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions
	B Low-income housing credit (other) from pre-2008 buildings	See the Partner's Instructions
	C Low-income housing credit (section 42(j)(5)) from post-2007 buildings	Form 8586, line 11
	D Low-income housing credit (other) from post-2007 buildings	Form 8586, line 11
	E Qualified rehabilitation expenditures (rental real estate)	See the Partner's Instructions
	F Other rental real estate credits	
	G Other rental credits	
	H Undistributed capital gains credit	Form 1040, line 68; check box a
	I Alcohol and cellulosic biofuel fuels credit	Form 6478, line 9
	J Work opportunity credit	Form 5884, line 3
	K Disabled access credit	See the Partner's Instructions
	L Empowerment zone and renewal community employment creidt	Form 8844, line 3
	M Credit for increasing research activties	See the Partner's Instructions
	N Credit for employer social security and Medicare taxes	Form 8846, line 5
	O Backup withholding	Form 1040, line 62
	P Other credits	See the Partner's Instructions
16	**Foreign transactions**	
	A Name of country or U.S. possession	Form 1116, Part I
	B Gross income from all sources	
	C Gross income sourced at partner level	
	Foreign gross income sourced at partnership level	
	D Passive category	Form 1116, Part I
	E General category	
	F Other	
	Deductions allocated and apportioned at partner level	
	G Interest expense	Form 1116, Part I
	H Other	Form 1116, Part I
	Deductions allocated and apportioned at partnership level to foreign source income	
	I Passive category	Form 1116, Part I
	J General category	
	K Other	
	Other information	
	L Total foreign taxes paid	Form 1116, Part II
	M Total foreign taxes accrued	Form 1116, Part II
	N Reduction in taxes available for credit	Form 1116, line 12
	O Foreign trading gross receipts	Form 8873
	P Extraterritorial income exclusion	Form 8873
	Q Other foreign transactions	See the Partner's Instructions
17	**Alternative minimum tax (AMT) items**	
	A Post-1986 depreciation adjustment	See the Partner's Instructions and the Instructions for Form 6251
	B Adjusted gain or loss	
	C Depletion (other than oil & gas)	
	D Oil, gas, & geothermal — gross income	
	E Oil, gas, & geothermal — deductions	
	F Other AMT items	
18	**Tax-exempt income and nondeductible expenses**	
	A Tax-exempt interest income	Form 1040, line 8b
	B Other tax-exempt income	See the Partner's Instructions
	C Nondeductible expenses	See the Partner's Instructions
19	**Distributions**	
	A Cash and marketable securities	See Partner's Instructions
	B Other property	
	C Distribution subject to section 737	
20	**Other information**	
	A Investment income	Form 4952, line 4a
	B Investment expenses	Form 4952, line 5
	C Fuel tax credit information	Form 4136
	D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
	E Basis of energy property	See the Partner's Instructions
	F Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
	G Recapture of low-income housing credit (other)	Form 8611, line 8
	H Recapture of investment credit	Form 4255
	I Recapture of other credits	See the Partner's Instructions
	J Look-back interest — completed long-term contracts	See Form 8697
	K Look-back interest — income forecast method	See Form 8866
	L Dispositions of property with section 179 deductions	See the Partner's Instructions
	M Recapture of section 179 deduction	
	N Interest expense for corporate partners	
	O Section 453(l)(3) information	
	P Section 453A(c) information	
	Q Section 1260(b) information	
	R Interest allocable to production expenditures	
	S CCF nonqualified withdrawals	
	T Depletion information — oil and gas	
	U Amortization of reforestation costs	
	V Unrelated business taxable income	
	W Precontribution gain (loss)	
	X Other information	

CONFIDENTIAL LA 00001256

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017327

651108

☐ Final K-1 ☐ Amended K-1 OMB No. 1545-0099

Schedule K-1 (Form 1065)

Department of the Treasury Internal Revenue Service

2008

For calendar year 2008, or tax year beginning _____, 2008 ending _____, _____

Partner's Share of Income, Deductions, Credits, etc.

► See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
26-1504833

B Partnership's name, address, city, state, and ZIP code
1920 8th Street Venture LLC
4326 8th Street NW
Washington, DC 20011

C IRS Center where partnership filed return
Cincinnati, OH

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
386-96-5203

F Partner's name, address, city, state, and ZIP code
Robb LaKritz
4326 8th Street NW
Washington, DC 20011

G ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member

H ☒ Domestic partner ☐ Foreign partner

I What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	50.00000 %	50.00000 %
Loss	50.00000 %	50.00000 %
Capital	50.00000 %	50.00000 %

K Partner's share of liabilities at year end:
Nonrecourse ..... $
Qualified nonrecourse financing ..... $
Recourse ..... $

L Partner's capital account analysis:
Beginning capital account ..... $
Capital contributed during the year ..... $
Current year increase (decrease) ..... $
Withdrawals and distributions ..... $
Ending capital account ..... $

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss) -525.	15	Credits
2	Net rental real estate income (loss) -69,415.		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
		19	Distributions
12	Section 179 deduction		
13	Other deductions	20	Other information
14	Self-employment earnings (loss) A -525.		

*See attached statement for additional information.

FOR IRS USE ONLY

BAA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2008

PTPA0312 12/15/08

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

		Report on
1	**Ordinary business income (loss).** Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.	
	Passive loss	See the Partner's Instructions
	Passive income	Schedule E, line 28, column (g)
	Nonpassive loss	Schedule E, line 28, column (h)
	Nonpassive income	Schedule E, line 28, column (j)
2	**Net rental real estate income (loss)**	See the Partner's Instructions
3	**Other net rental income (loss)**	
	Net income	Schedule E, line 28, column (g)
	Net loss	See the Partner's Instructions
4	**Guaranteed payments**	Schedule E, line 28, column (j)
5	**Interest income**	Form 1040, line 8a
6a	**Ordinary dividends**	Form 1040, line 9a
6b	**Qualified dividends**	Form 1040, line 9b
7	**Royalties**	Schedule E, line 4
8	**Net short-term capital gain (loss)**	Schedule D, line 5, column (f)
9a	**Net long-term capital gain (loss)**	Schedule D, line 12, column (f)
9b	**Collectibles (28%) gain (loss)**	28% Rate Gain Worksheet, line 4 (Schedule D Instructions)
9c	**Unrecaptured section 1250 gain**	See the Partner's Instructions
10	**Net section 1231 gain (loss)**	See the Partner's Instructions
11	**Other income (loss)**	
	Code	
	A Other portfolio income (loss)	See the Partner's Instructions
	B Involuntary conversions	See the Partner's Instructions
	C Section 1256 contracts and straddles	Form 6781, line 1
	D Mining exploration costs recapture	See Pub 535
	E Cancellation of debt	Form 1040, line 21 or Form 982
	F Other income (loss)	See the Partner's Instructions
12	**Section 179 deduction**	See the Partner's Instructions
13	**Other deductions**	
	A Cash contributions (50%)	See the Partner's Instructions
	B Cash contributions (30%)	
	C Noncash contributions (50%)	
	D Noncash contributions (30%)	
	E Capital gain property to a 50% organization (30%)	
	F Capital gain property (20%)	
	G Contributions (100%)	
	H Investment interest expense	Form 4952, line 1
	I Deductions — royalty income	Schedule E, line 18
	J Section 59(e)(2) expenditures	See the Partner's Instructions
	K Deductions — portfolio (2% floor)	Schedule A, line 23
	L Deductions — portfolio (other)	Schedule A, line 28
	M Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29
	N Educational assistance benefits	See the Partner's Instructions
	O Dependent care benefits	Form 2441, line 14
	P Preproductive period expenses	See the Partner's Instructions
	Q Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions
	R Pensions and IRAs	See the Partner's Instructions
	S Reforestation expense deduction	See the Partner's Instructions
	T Domestic production activities information	See Form 8903 Instructions
	U Qualified production activities income	Form 8903, line 7
	V Employer's W-2 wages	Form 8903, line 15
	W Other deductions	See the Partner's Instructions
14	**Self-employment earnings (loss)**	

Note. *If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.*

	A Net earnings (loss) from self-employment	Schedule SE, Section A or B
	B Gross farming or fishing income	See the Partner's Instructions
	C Gross non-farm income	See the Partner's Instructions
15	**Credits**	
	A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions
	B Low-income housing credit (other) from pre-2008 buildings	See the Partner's Instructions
	C Low-income housing credit (section 42(j)(5)) from post-2007 buildings	Form 8586, line 11
	D Low-income housing credit (other) from post-2007 buildings	Form 8586, line 11
	E Qualified rehabilitation expenditures (rental real estate)	See the Partner's Instructions
	F Other rental real estate credits	
	G Other rental credits	
	H Undistributed capital gains credit	Form 1040, line 68; check box a
	I Alcohol and cellulosic biofuel fuels credit	Form 6478, line 9
	J Work opportunity credit	Form 5884, line 3
	K Disabled access credit	See the Partner's Instructions
	L Empowerment zone and renewal community employment creidt	Form 8844, line 3
	M Credit for increasing research activties	See the Partner's Instructions
	N Credit for employer social security and Medicare taxes	Form 8846, line 5
	O Backup withholding	Form 1040, line 62
	P Other credits	See the Partner's Instructions
16	**Foreign transactions**	
	A Name of country or U.S. possession	Form 1116, Part I
	B Gross income from all sources	
	C Gross income sourced at partner level	
	Foreign gross income sourced at partnership level	
	D Passive category	Form 1116, Part I
	E General category	
	F Other	
	Deductions allocated and apportioned at partner level	
	G Interest expense	Form 1116, Part I
	H Other	Form 1116, Part I
	Deductions allocated and apportioned at partnership level to foreign source income	
	I Passive category	Form 1116, Part I
	J General category	
	K Other	
	Other information	
	L Total foreign taxes paid	Form 1116, Part II
	M Total foreign taxes accrued	Form 1116, Part II
	N Reduction in taxes available for credit	Form 1116, line 12
	O Foreign trading gross receipts	Form 8873
	P Extraterritorial income exclusion	Form 8873
	Q Other foreign transactions	See the Partner's Instructions
17	**Alternative minimum tax (AMT) items**	
	A Post-1986 depreciation adjustment	See the Partner's Instructions and the Instructions for Form 6251
	B Adjusted gain or loss	
	C Depletion (other than oil & gas)	
	D Oil, gas, & geothermal — gross income	
	E Oil, gas, & geothermal — deductions	
	F Other AMT items	
18	**Tax-exempt income and nondeductible expenses**	
	A Tax-exempt interest income	Form 1040, line 8b
	B Other tax-exempt income	See the Partner's Instructions
	C Nondeductible expenses	See the Partner's Instructions
19	**Distributions**	
	A Cash and marketable securities	See Partner's Instructions
	B Other property	
	C Distribution subject to section 737	
20	**Other information**	
	A Investment income	Form 4952, line 4a
	B Investment expenses	Form 4952, line 5
	C Fuel tax credit information	Form 4136
	D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
	E Basis of energy property	See the Partner's Instructions
	F Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
	G Recapture of low-income housing credit (other)	Form 8611, line 8
	H Recapture of investment credit	Form 4255
	I Recapture of other credits	See the Partner's Instructions
	J Look-back interest — completed long-term contracts	See Form 8697
	K Look-back interest — income forecast method	See Form 8866
	L Dispositions of property with section 179 deductions	See the Partner's Instructions
	M Recapture of section 179 deduction	
	N Interest expense for corporate partners	
	O Section 453(l)(3) information	
	P Section 453A(c) information	
	Q Section 1260(b) information	
	R Interest allocable to production expenditures	
	S CCF nonqualified withdrawals	
	T Depletion information — oil and gas	
	U Amortization of reforestation costs	
	V Unrelated business taxable income	
	W Precontribution gain (loss)	
	X Other information	

CONFIDENTIAL LA 00001258

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017329

Partnership Information Worksheet 2008

► Keep for your records

Part I — Identifying Information

Employer Identification Number ..... 26-1504833 Date Business Started 08/06/2007
Name ..... 1920 8th Street Venture LLC
Name (continuation) .....
Doing Business As .....
Address ..... 4326 8th Street NW
City ..... Washington State DC ZIP Code 20011
Foreign Country .....
Telephone Number ..... (202) 882-0808 Extension .....
Fax Number ..... (202) 882-0809 E-Mail Address ..... Robb@LaKritzAdler.com
Tax Shelter Registration Number .....

[ ] **Eligible for qualified disaster area tax relief benefits**

Part II — Tax Year and Filing Information

[X] Calendar year
[ ] Fiscal year — Ending month .....
[ ] Short year — Beginning date ..... Ending date .....

Part III — IRS Center

IRS center where partnership filed return ..... Cincinnati, OH

Part IV — Schedule K-1 Information

Percentage Used for Allocation to Schedules K-1

[ ] Profit [ ] Loss [X] Ownership

K-1 Rounding Options

[X] Distribute the rounding difference to the partner with the largest percentage.
[ ] Distribute the rounding difference to partner number .....
[ ] Distribute the rounding difference among partners.
[ ] Do not distribute the rounding difference to any partner.

K-1 Analysis of Partner's Capital Account Options (Schedule K-1, Item L, Row C)

[ ] Sum the individual line items on each partner's Schedule K-1.
[X] Multiply total partnership amounts by each partner's K-1 allocation percentage.

K-1 Capital Account Accounting Method

[X] Tax basis
[ ] Generally Accepted Accounting Principles (GAAP)
[ ] Section 704(b) book
[ ] Other .....

Partner Printing Options

Yes	No	
X		Print Schedules K-1?
X		Include page 2 of Schedules K-1 (codes and descriptions) with tax return?
	X	Print Partner Number on Schedules K-1?
	X	Print detail of Item L, Row C on each partner's Schedule K-1?
X		Calculate and print Schedule K Reconciliation Report?
	X	Calculate and print the Partner Basis Statement?
	X	Calculate and print the SEP Contribution Worksheet for each partner?

Enter a SEP contribution rate here (maximum 25%) ..... ►

Part V — Electronic Filing Information

Partner's or LLC Member's Name .....

[ ] General Partner [ ] Limited Liability Company Member [ ] Tax Matters Partner (TMP)

QuickZoom here to Form 1065, pages 1, 2, and 3 ..... ►
QuickZoom here to Schedule K-1 Worksheet ..... ►

plpw9601.SCR 02/23/09

Form 1065
Page 1, Line 20

Other Deductions Worksheet

► Keep for your records

2008

Name as Shown on Return	Employer Identification No.
1920 8th Street Venture LLC	26-1504833

1	Accounting		1	900.
2	Advertising		2	
3	Amortization		3	
4	Automobile and truck expense		4	
5	Bank charges		5	
6	Cleaning		6	
7	Commissions		7	
8	Computer services and supplies		8	
9	Credit and collection costs		9	
10	Delivery and freight		10	
11	Discounts		11	
12	Dues and subscriptions		12	
13	Equipment rent		13	
14	Gifts		14	
15	Insurance		15	
16	Janitorial		16	
17	Laundry and cleaning		17	
18	Legal and professional		18	
19 a	Meals and entertainment, subject to 50% limit	19 a		
b	Meals and entertainment, subject to 80% limit	b		
c	Meals and entertainment, allowed at 100%	c		
d	Less disallowed	d		
e	Meals and entertainment, net		19 e	
20	Miscellaneous		20	
21	Office expense		21	
22	Outside services		22	
23	Parking fees and tolls		23	
24	Permits and fees		24	
25	Postage		25	
26	Printing		26	
27	Security		27	
28	Supplies		28	
29	Telephone		29	
30	Tools		30	
31	Training/continuing education		31	
32	Travel		32	
33	Uniforms		33	
34	Utilities		34	
35	Other (itemize):		35	
	Business Licenses & Fees			150.
35	Total		35	1,050.

ptpw6101.SCR 11/10/08

Schedule K Line 14a **Net Self-Employment Earnings Worksheet** **2008**

► Keep for your records

Name as Shown on Return	Employer Identification No.
1920 8th Street Venture LLC	26-1504833

Description	S A	Column A Partnership Total	Column B Amounts allocated to general partners who are individuals or partnerships	Column C Amounts allocated to limited partners who are individuals or partnerships	Column D Amounts allocated to all other partners
1 a Ordinary income (loss) (Schedule K, line 1)		-1,050.	-1,050.		0.
b Net income (loss) from **certain** rental real estate activities					
c Net income (loss) from other rental activities (Sch K, line 3c)					
d Net loss from Form 4797, Part II, line 17, included on line 1a					
e Combine lines 1a through 1d		-1,050.	-1,050.		0.
2 Net gain from Form 4797, Part II, line 17, included on line 1a					
3 a Subtract line 2 from line 1e		-1,050.	-1,050.		0.
b Part of line 3a allocated to limited partners, estates, trusts, corporations, and exempt organizations and IRA's		0.			0.
c Subtract line 3b from line 3a		-1,050.	-1,050.		0.
4 a Guaranteed payments (GP) and other items used to figure self-employment (SE) earnings:					
(1) GP for services					
(2) GP other than for services					
(3) Other Sched K items used to figure SE earnings					
Total of lines 4a(1) through (3)					
b Part of 4a allocated to individual limited partners for other than GP for services and to estates, trusts, corporations, etc.					
c Subtract line 4b from line 4a					
d Other adjustments to figure self-employment earnings					
e Part of 4d allocated to estates, trusts, corporations, etc.					
f Subtract line 4e from line 4d					
5 **Net earnings (loss) from self-employment.** Combine lines 3c, 4c and 4f		-1,050.	-1,050.		0.

ptpw2501.SCR 11/26/08

Schedule K Reconciliation

Partner	-1- Ordinary Inc/Loss	-2- Rental Real Est	-14a- Net SE Earn/Loss		
Joshua Adler	-525	-69,414	-525		
Robb LaKritz	-525	-69,415	-525		
Total	-1,050	-138,829	-1,050		

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017333

1920 8th Street Venture LLC
4326 8th Street NW
Washington, DC 20011
(202) 882-0808

June 12, 2009

Joshua Adler
2151 Florida Ave NW
Washington, DC 20008

RE: 1920 8th Street Venture LLC
26-1504833
Schedule K-1

Dear Partner:

Enclosed is your 2008 Schedule K-1 (Form 1065), Partner's Share of Income, Credits, Deductions, Etc., which has been filed with the partnership tax return of 1920 8th Street Venture LLC.

The amounts reported to you on lines 1 through 20 of the Schedule K-1 represent your share of income, credits, deductions, and other information and must be reported on the appropriate lines of your income tax return. Amounts were allocated to you based on the partnership agreement. The IRS uses codes on some lines of the Schedule K-1 to identify the item and provide reporting information. These codes are identified on page 2 of the Schedule K-1.

Should you have any questions regarding the information reported to you on this Schedule K-1, please call.

Sincerely,

For
1920 8th Street Venture LLC

1920 8th Street Venture LLC
4326 8th Street NW
Washington, DC 20011
(202) 882-0808

June 12, 2009

Robb LaKritz
4326 8th Street NW
Washington, DC 20011

RE: 1920 8th Street Venture LLC
26-1504833
Schedule K-1

Dear Partner:

Enclosed is your 2008 Schedule K-1 (Form 1065), Partner's Share of Income, Credits, Deductions, Etc., which has been filed with the partnership tax return of 1920 8th Street Venture LLC.

The amounts reported to you on lines 1 through 20 of the Schedule K-1 represent your share of income, credits, deductions, and other information and must be reported on the appropriate lines of your income tax return. Amounts were allocated to you based on the partnership agreement. The IRS uses codes on some lines of the Schedule K-1 to identify the item and provide reporting information. These codes are identified on page 2 of the Schedule K-1.

Should you have any questions regarding the information reported to you on this Schedule K-1, please call.

Sincerely,

For
1920 8th Street Venture LLC

Form 8825	**Rental Real Estate Income and Expense Worksheet** ► Keep for your records	2008

Name	Employer Identification No.
1920 8th Street Venture LLC	26-1504833

1 Enter the kind and location of property:
Vacant Lot
1920 8th Street NW

QuickZoom to another copy of rental real estate worksheet ➡
Check this box if you completely disposed of this rental during 2008 ► ☐
Check this box if this rental is classified as commercial property ► X

2	Gross rents ►	2	36,000.
Rental Real Estate Expenses			
3	Advertising ►	3	
4	Auto and travel ►	4	
5	Cleaning and maintenance ►	5	
6	Commissions ►	6	
7	Insurance ►	7	14.
8	Legal and other professional fees ►	8	3,865.
9	Interest ►	9	
10	Repairs ►	10	
11	Taxes ►	11	59,397.
12	Utilities ►	12	
13	Wages and salaries ►	13	
14	Depreciation ►	14	
15	Other expenses (list):		
	Contributions ..... 200.		
	Ground Lease Rent ..... 37,500.		
	Lease Subordination Fees ..... 62,500.		
	Amortization ..... 11,353.		
	Total other expenses	15	111,553.
16	Total expenses. Add lines 3 through 15 ►	16	174,829.
17	Net income (loss) ►	17	-138,829.
18	Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from this rental real estate activity ►	18	

QuickZoom here to go to Form 4797, Part II, line 17 ➡
QuickZoom to enter net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1) ➡
QuickZoom to another copy of rental real estate worksheet ➡

SPSV0401.SCR 12/18/08

Form 1065, Line 20
Other deductions

Accounting	900.
Business Licenses & Fees	150.
Total	1,050.

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017337

Supporting Statement of:

Description	Amount
Legal	2,515.
Accounting	1,350.
Total	3,865.

1920 8th Street Venture LLC 26-1504833

Form 1065 p1-3: Return of Partnership Income

Completion of Schedules L, M-1, M-2, etc Smart Worksheet

If you answered **"Yes"** to Question 6, do you want to complete Schedules L, etc, even though they are not required? ..... ► [ ] **Yes** [X] **No**

Form 1065 p4-5: Return of Partnership Income

Schedule M-1 Smart Worksheet

QuickZoom here to use optional M-1 Items Worksheet ..... ►
Program will complete Schedule M-1, lines 2 through 9, from entries on worksheet.

Computed Net Income (Loss) Per Books

A	Income (loss) per return (Form 1065, page 4, line 1 — analysis)	
B	Income item tax/book differences from M-1 Items Worksheet	
C	Expense item tax/book differences from M-1 Items Worksheet ...	
D	Net tax/book differences (combine lines B and C)	
E	Computed net income (loss) per books (combine lines A and D)	

Check box to enter line E on Schedule M-1, line 1 ..... ► [ ]
Otherwise, enter net income (loss) per books on line 1 below ..... ► [X]

1920 8th Street Venture LLC 26-1504833

8825 Worksheet (Vacant Lot): Rental Real Estate Income and Expenses Wks

Taxes Smart Worksheet

A	State franchise or income taxes	
B	Local property taxes	58,147.
C	Payroll taxes	
D	Other miscellaneous taxes	400.
E	Licenses	850.

8825 Worksheet (Vacant Lot): Rental Real Estate Income and Expenses Wks

Depreciation QuickZoom Smart Worksheet

A	Asset Entry Worksheet to **enter** asset information		
B	Depreciation Report to **view** a summary depreciation report		
C	Form 4562 to **view** total depreciation or to **enter** amounts directly on Form 4562		
D	Treat all MACRS assets for this activity as qualified Indian reservation property?		Yes [ ] No [X]
E	Treat all assets acquired after Aug 27, 2005 as qualified GO Zone property?	Reg [ ]	Ext [X] No
F	Treat all assets acquired after May 4, 2007 as qualified Kansas Disaster Zone property?		Yes [ ] No [ ]
G	Was this business located in a Qualified Disaster Area?		Yes [ ] No [ ]

*** Slip Sheet ***

Document

5:24 PM
01/28/09
Accrual Basis

1920 8th Street LLC
Profit & Loss
January through December 2008

	Jan - Dec 08
Ordinary Income/Expense	
Income	
Rent Income	36,000.00
Total Income	36,000.00
Gross Profit	36,000.00
Expense	
Contributions	200.00
Ground Lease Legal Amort	11,352.80
Ground Lease Rent	37,500.00
Lease Subordination Fees	62,500.00
Licenses and Permits	850.00
Professional Fees	
Accounting	1,350.00
Legal Fees	2,514.72
Total Professional Fees	3,864.72
Property Taxes	58,146.80
Property/Liability Insurance	14.30
Taxes	400.00
Total Expense	174,828.62
Net Ordinary Income	-138,828.62
Net Income	**-138,828.62**

CONFIDENTIAL

LA 00001270

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017342

5:25 PM
01/28/09
Accrual Basis

1920 8th Street LLC
Balance Sheet
As of December 31, 2008

		Dec 31, 08
ASSETS		
Current Assets		
Checking/Savings		
BB&T-Checking Acct#5162-740-638		17,189.67
Total Checking/Savings		17,189.67
Total Current Assets		17,189.67
Other Assets		
Development at 8th & U Sts NW		
Arts Credits Related Legal	7,797.00	
Ground Lease Related Legal		
Accum Amort-Ground Lease Legal	-15,137.07	
Ground Lease Related Legal - Other	113,527.97	
Total Ground Lease Related Legal	98,390.90	
Total Development at 8th & U Sts NW		106,187.90
Purchase Option Deposit		100,000.00
Total Other Assets		206,187.90
TOTAL ASSETS		**223,377.57**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		829.50
Total Accounts Payable		829.50
Total Current Liabilities		829.50
Long Term Liabilities		
Tenant Security Deps		3,000.00
Total Long Term Liabilities		3,000.00
Total Liabilities		3,829.50
Equity		
Partners capital		
Capital - Joshua A. Adler	223,500.00	
Capital - Robb M. LaKrtiz	223,500.00	
Total Partners capital		447,000.00
Retained Earnings		-88,623.31
Net Income		-138,828.62
Total Equity		219,548.07
TOTAL LIABILITIES & EQUITY		**223,377.57**

CONFIDENTIAL

LA 00001271

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017343

*** Slip Sheet ***

Document

Reznick Group

1920 8th Street Venture LLC

2007

CONFIDENTIAL

LA 00001272

*** Slip Sheet ***

Document

U.S. POSTAL SERVICE **CERTIFICATE OF MAILING**

MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT PROVIDE FOR INSURANCE - POSTMASTER

★ ★ ★

Affix fee here in stamps or meter postage and post-mark. Inquire of Postmaster for current fees.

172
1370 $01.10
3033 MAILED FROM ZIP CODE 200

Received From:

1920 8th Street Venture LLC
4326 8th Street, NW
Washington, DC 20011

One piece of ordinary mail addressed to:

Office of Tax and Revenue
P.O. Box 7792
Washington, DC 20044-7792

CONFIDENTIAL

LA 00001273

Business Name: 1920 8TH STREET VENTURE, LLC
FEIN or SSN 261504833

A. Date entity was organized		Date MMDDYYYY 08062007
B. Mark if this return is	X an initial return	a final return
C. Mark if your accounting method	cash X accrual	other (specify)
D. Number of partners in this partnership		2
E. Is this a limited partnership?		YES X NO
F. Is this a limited liability company?		X YES NO
G. Are any partners in this partnership also partnerships or corporate entities?		YES X NO
H. Is this partnership a partner in another partnership?		X YES NO
I. Was there a distribution or transfer of property that caused an adjustment of the basis of the partnership's assets under IRC Section 754?		YES X NO
J. Was a D-65 filed for the preceding year?		YES X NO
K. Was a 2007 unincorporated business franchise tax return (Form D-30) filed for this business? If "YES", provide name under which return was filed		YES X NO
L. Have you filed annual federal income tax information return Forms 1099 and 1096?		YES X NO
M. Did you withhold DC income tax from the wages of your employees during 2007? If "NO", state reason NO EMPLOYEES		YES X NO
N. During 2007, has the IRS made or proposed any adjustments to your federal Form 1065, or did you file amended returns with the IRS? If "YES", submit a separate detailed explanation and an amended D-65 return reflecting the adjustments to: THE OFFICE OF TAX AND REVENUE, P.O. BOX 447, WASHINGTON, D.C. 20044-0447.		YES X NO

- Attach a copy of the Federal partnership return (Form 1065) with K-1 and other schedules which you file.
- Attach a schedule showing the pass-through distribution of income to all members of the partnership.
- If you are filing this Form D-65, instead of Form D-30, attach an explanation (See instruction A).

Under penalties of law, I declare that I have examined this return and, to the best of my knowledge, it is correct. Declaration of paid preparer is based on information available to the preparer.

PLEASE SIGN HERE — PARTNER OR MEMBER'S SIGNATURE — DATE

3016529100
Telephone number of person to contact

PREPARER'S SIGNATURE (If other than taxpayer) — 6/30/08 DATE

P00449628
Paid Preparer's, FEIN, SSN or PTIN

PAID PREPARER ONLY
FIRM NAME: REZNICK GROUP, P.C.
FIRM ADDRESS: 7700 OLD GEORGETOWN ROAD, SUITE 400
BETHESDA MD 20814

2007 D-65 SUB P2

Rev. 10/07 7Q1012 1.000

*** Slip Sheet ***

Document

U.S. POSTAL SERVICE **CERTIFICATE OF MAILING**

MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT PROVIDE FOR INSURANCE - POSTMASTER ★ ★ ★

Affix fee here in stamps or meter postage and post mark. Inquire of Postmaster for current fees.

135
1340 $01.10 PB3
3032 MAILED FROM ZIP CODE

Received From:

1920 8th Street Venture LLC
4326 8th Street, NW
Washington, DC 20011

One piece of ordinary mail addressed to:

Department of the Treasury
Internal Revenue Service Center
Cincinnati, OH 45999-0011

CONFIDENTIAL

LA 00001275

INITIAL RETURN

Form **1065** Department of the Treasury Internal Revenue Service

U.S. Return of Partnership Income

For calendar year 2007, or tax year beginning _____, ending _____.
▶ See separate instructions.

OMB No. 1545-0099

2007

A Principal business activity: REAL ESTATE

B Principal product or service: RENTALS

C Business code number: 531110

Use the IRS label. Otherwise, print or type.

Name of partnership: 1920 8TH STREET VENTURE, LLC

Number, street, and room or suite no. If a P.O. box, see the instructions.: 4326 8TH STREET NW

City or town, state, and ZIP code: WASHINGTON, DC 20011

D Employer identification number: 26-1504833

E Date business started: 08/06/2007

F Total assets (see the instructions): $ 238,264.

G Check applicable boxes: (1) [X] Initial return (2) [ ] Final return (3) [ ] Name change (4) [ ] Address change (5) [ ] Amended return

H Check accounting method: (1) [ ] Cash (2) [X] Accrual (3) [ ] Other (specify) ▶ _____

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ 2

J Check if Schedule M-3 attached [ ]

Caution. *Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.*

Income	1a	Gross receipts or sales	1a		
	b	Less returns and allowances	1b		1c
	2	Cost of goods sold (Schedule A, line 8)			2
	3	Gross profit. Subtract line 2 from line 1c			3
	4	Ordinary income (loss) from other partnerships, estates, and trusts *(attach statement)*			4
	5	Net farm profit (loss) *(attach Schedule F (Form 1040))*			5
	6	Net gain (loss) from Form 4797, Part II, line 17 *(attach Form 4797)*			6
	7	Other income (loss) *(attach statement)*			7
	8	**Total income (loss).** Combine lines 3 through 7			8
Deductions (see the instructions for limitations)	9	Salaries and wages (other than to partners) (less employment credits)			9
	10	Guaranteed payments to partners			10
	11	Repairs and maintenance			11
	12	Bad debts			12
	13	Rent			13
	14	Taxes and licenses			14
	15	Interest			15
	16a	Depreciation *(if required, attach Form 4562)*	16a		
	b	Less depreciation reported on Schedule A and elsewhere on return	16b		16c
	17	Depletion (**Do not deduct oil and gas depletion.**)			17
	18	Retirement plans, etc.			18
	19	Employee benefit programs			19
	20	Other deductions *(attach statement)*			20
	21	**Total deductions.** Add the amounts shown in the far right column for lines 9 through 20			21
	22	**Ordinary business income (loss).** Subtract line 2 from line 8			22

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

▶ Signature of general partner or limited liability company member manager ▶ Date 7-10-08

May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [ ] No

Paid Preparer's Use Only

Preparer's signature ▶ CPA Date 6/30/08 Check if self-employed ▶ [ ] Preparer's SSN or PTIN P00449628

Firm's name (or yours if self-employed), address, and ZIP code ▶ REZNICK GROUP, P.C.
7700 OLD GEORGETOWN ROAD, SUITE 400
BETHESDA, MD 20814-6224

EIN ▶ 52-1088612

Phone no. 301-652-9100

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Form **1065** (2007)

JSA
7P1010 2.000

48260S 2337 06/30/2008 08:34:17 V07-6.5 29-203055-5021 4

*** Slip Sheet ***

Document

IRS Department of the Treasury
Internal Revenue Service

CINCINNATI OH 45999-0038

In reply refer to: 0241336015
Nov. 04, 2008 LTR 96C 0
26-1504833 200712 06 000
00000017
BODC: SB

1920 8TH STREET VENTURE LLC
ROBB M LAKRITZ MBR
4326 8TH ST NW
WASHINGTON DC 20011-7214264

001854

Employer Identification Number: 26-1504833
Tax Period(s): Dec. 31, 2007

Form: 1065

Dear Taxpayer:

Thank you for your correspondence received Oct. 08, 2008.

We have reviewed your information and determined no action was necessary on your account.

If you have any questions, please call us toll free at 1-800-829-0115.

If you prefer, you may write to us at the address shown at the top of the first page of this letter.

Whenever you write, please include this letter and, in the spaces below, give us your telephone number with the hours we can reach you. Also, you may want to keep a copy of this letter for your records.

Telephone Number ( )_____ Hours_____

We apologize for any inconvenience, and thank you for your cooperation.

Sincerely yours,

Mary Jo Williams

Mary Jo Williams,Operations Mgr.
Accounts Management Operations

IRS Department of the Treasury
Internal Revenue Service

CINCINNATI OH 45999-0038

001854.505926.0007.001 1 MB 0.369 532

1920 8TH STREET VENTURE LLC
ROBB M LAKRITZ MBR
4326 8TH ST NW
WASHINGTON DC 20011-7214264

001854

CUT OUT AND RETURN THE VOUCHER AT THE BOTTOM OF THIS PAGE IF YOU ARE MAKING A PAYMENT, EVEN IF YOU ALSO HAVE AN INQUIRY.

The IRS address must appear in the window.

0241336015

BODCD-SB

Use for payments

Letter Number: LTR0096C
Letter Date : 2008-11-04
Tax Period : 200712

261504833

1920 8TH STREET VENTURE LLC
ROBB M LAKRITZ MBR
4326 8TH ST NW
WASHINGTON DC 20011-7214264

INTERNAL REVENUE SERVICE

CINCINNATI OH 45999-0038

261504833 ZU 1920 06 2 200712 670 00000000000

CONFIDENTIAL

LA 00001278

*** Slip Sheet ***

Document

ZU 06 200712 670 7823
200842 040761 20011 IRS USE ONLY

17254-683-17396-8 A0081810 210
261504833 SB M

Department of the Treasury
Internal Revenue Service
CINCINNATI, OH 45999-0039

For assistance, call:
1-800-829-0115

Notice Number: CP210
Date: October 27, 2008

Taxpayer Identification Number:
26-1504833
Tax Form: 1065
Tax Period: December 31, 2007

039806.500141.0158.004 1 AT 0.346 542

1920 8TH STREET VENTURE LLC
ROBB M LAKRITZ MBR
4326 8TH ST NW
WASHINGTON DC 20011-7214264

039806

Amount You Owe
NONE

17265-215-03309-8

Statement of Adjustment to Your Account

This is in response to your request for an adjustment to your tax account for the period shown above. The adjustment was made for the exact amount you requested.

This is a result of your correspondence dated September 3, 2008.

For tax forms, instructions and information visit **www.irs.gov**. (Access to this site will not provide you with your specific taxpayer account information.)

CUT HERE

Return this voucher with your payment or correspondence.

Your Telephone Number: ( )_____-_____

Best Time to Call: _____AM_____PM

Amount you owe: $.00

☐ **Amount enclosed: $_____**
- Make payable to United States Treasury
- Write Taxpayer Identification Number, tax period and tax form number on payment

☐ **Correspondence enclosed**

SB 200842 01 17254-683-17396-8

210 Internal Revenue Service
CINCINNATI, OH 45999-0039

1920 8TH STREET VENTURE LLC
ROBB M LAKRITZ MBR
4326 8TH ST NW
WASHINGTON DC 20011-7214264

261504833 ZU 1920 06 2 200712 670 00000000000

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017356

*** Slip Sheet ***

Document

IRS Department of the Treasury
Internal Revenue Service

CINCINNATI OH 45999-0038

In reply refer to: 0237500000
Oct. 06, 2008 LTR 2645C KO
26-1504833 200612 06 000
Input Op: 0209960175 00002003
BODC: WI

1920 8TH STREET VENTURE LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214264

002928

Taxpayer Identification Number: 26-1504833
Tax Period(s): Dec. 31, 2006

Form: 1065

Dear Taxpayer:

Thank you for your correspondence received Sep. 08, 2008.

We haven't resolved this matter because we haven't completed all the research necessary for a complete response. We will contact you again within 45 days to let you know what action we are taking. You don't need to do anything further now on this matter.

If you have a current installment agreement with us, please continue to make scheduled payments while waiting for our response. Even if you do not have a formal installment agreement, you may make payments to reduce the balance owed and minimize interest and penalty charges. To help us apply payments properly, make your check or money order payable to the United States Treasury. Ensure your name, address, daytime telephone number, social security or employer identification number, tax form and tax year are shown on the payment.

If you have any questions, please call us toll free at 1-800-829-0115.

If you prefer, you may write to us at the address shown at the top of the first page of this letter.

Whenever you write, please include this letter with your telephone number and the hours we can reach you entered in the spaces provided below. You may want to keep a copy of this letter for your records.

Your telephone number (___)_____ Hours _____

0237500000
Oct. 06, 2008 LTR 2645C K0
26-1504833 200612 06 000
Input Op: 0209960175 00002004

1920 8TH STREET VENTURE LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214264

We apologize for any inconvenience we may have caused you, and thank you for your cooperation.

Sincerely yours,

Mary Jo Williams

Mary Jo Williams,Operations Mgr.
Accounts Management Operations

IRS Department of the Treasury
Internal Revenue Service

CINCINNATI OH 45999-0038

002928.495807.0011.001 1 MB 0.369 532

1920 8TH STREET VENTURE LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214264

002928

CUT OUT AND RETURN THE VOUCHER AT THE BOTTOM OF THIS PAGE IF YOU ARE MAKING A PAYMENT, EVEN IF YOU ALSO HAVE AN INQUIRY.

The IRS address must appear in the window.

0237500000

BODCD-WI

Use for payments

Letter Number: LTR2645C
Letter Date : 2008-10-06
Tax Period : 200612

261504833

1920 8TH STREET VENTURE LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214264

INTERNAL REVENUE SERVICE

CINCINNATI OH 45999-0038

261504833 ZU 1920 06 2 200612 670 00000000000

CONFIDENTIAL

LA 00001282

*** Slip Sheet ***

Document

010238 200712 SBM

IRS Department of the Treasury
Internal Revenue Service
PHILADELPHIA, PA 19154-0030

Notice Number: CP 504
Notice Date: 09-29-2008

SSN/EIN: 26-1504833
Caller ID:

7105 5678 7188 8413 8025

1920 8TH STREET VENTURE LLC
ROBB M LAKRITZ MBR
4326 8TH ST NW
WASHINGTON DC 20011-7214264

261504833221

035919

Urgent !!

We intend to levy on certain assets. Please respond NOW.
(To avoid additional penalty and interest, pay the amount you owe within ten days from the date of this notice.)

Our records indicate that you haven't paid the amount you owe. The law requires that you pay your tax at the time you file your return. This is your notice, as required by Internal Revenue Code Section 6331(d), of our intent to levy (take) any state tax refunds that you may be entitled to if we don't receive your payment in full. In addition, we will begin to search for other assets we may levy. We can also file a Notice of Federal Tax Lien, if we haven't already done so. **To prevent collection action, please pay the current balance now.** If you've already paid, can't pay, or have arranged for an installment agreement, it is important that you **call us immediately** at the telephone number shown below. Current balance may include Civil Penalty, if assessed.

Account Summary

Form: 1065	Tax Period: 12-31-2007
Current Balance:	$683.26
Includes:	
Penalty:	$0.00
Interest:	$3.26
Last Payment:	$0.00

For information on your penalty & interest computations, you may call 1-800-829-0115

Questions? Call us at **1-800-829-0115**

See the enclosed Publication 594, *The IRS Collection Process*, and Notice 1219B, *Notice of Potential Third Party Contact* for additional information.

Please mail this part with your payment, payable to United States Treasury.

Notice Number: CP 504
Notice Date: 09-29-2008

write on your check:

1065	12-31-2007	26-1504833

Amount Due: $683.26

Find information about filing and paying taxes at: www.irs.gov
Enter Keyword: filing late (or) paying late

Internal Revenue Service
KANSAS CITY, MO 64999-0202

1920 8TH STREET VENTURE LLC
ROBB M LAKRITZ MBR
4326 8TH ST NW
WASHINGTON DC 20011-7214264

261504833 ZU 1920 06 2 200712 670 00000068326

CONFIDENTIAL

LA 00001283

IRS Department of the Treasury
Internal Revenue Service
PHILADELPHIA, PA 19154-0030

7105 5678 7188 8413 8025

Notice Number: CP504

035919.491502.0291.007 2 AT 0.471 1714

1920 8TH STREET VENTURE LLC
ROBB M LAKRITZ MBR
4326 8TH ST NW
WASHINGTON DC 20011-7214264

261504833221

035919

This notice contains two pre-addressed coupons for your convenience. Please detach the appropriate coupon and return to us in the envelope provided. Please refer to the information below to determine the correct address:

To send **correspondence** regarding this account with **NO** payment

Use the coupon addressed to:

Internal Revenue Service
P.O. BOX 16236
PHILADELPHIA, PA 19114-0236

To send a **payment** or correspondence with a payment

Use the coupon addressed to:

Internal Revenue Service
KANSAS CITY, MO 64999-0202

CONFIDENTIAL

LA 00001284

035919

Cut and use this coupon if you are sending us correspondence only with NO payment enclosed.

(For payments, please use the other coupon attached to the notice.)

Please mail this part with your inquiry.

Notice Number: CP504
Notice Date: 09-29-2008

write on your check:

1065	12-31-2007	26-1504833

Amount Due: $683.26

Internal Revenue Service
P.O. BOX 16236
PHILADELPHIA, PA 19114-0236

1920 8TH STREET VENTURE LLC
ROBB M LAKRITZ MBR
4326 8TH ST NW
WASHINGTON DC 20011-7214264

261504833 ZU 1920 06 2 200712 670 00000068326

CONFIDENTIAL

LA 00001285

Penalty and Interest

About Your Notice - The penalty and interest charges on your account are explained below. If you want a more detailed explanation of your penalties and interest, please call the telephone number listed on the front of this notice. You may call your local IRS telephone number if the number shown on your notice is a long-distance call for you. All days mentioned in the paragraphs below are calendar days, unless specifically stated otherwise.

035919

Penalty: $0.00

07 Paying Late

IRC section 6651 (a) (2)

We charged a penalty because you didn't pay your tax on time. Initially, the penalty is 1/2 % of the unpaid tax for each month or part of a month you didn't pay your tax.

If you disagree with this penalty, see "Removal of Penalties" in this notice.

Removal of Penalties

The law lets us remove or reduce penalties if you have reasonable cause or receive erroneous written advice from IRS.

Reasonable Cause

If you believe you have an acceptable reason why IRS should remove or reduce your penalties, send us a signed explanation. After we review your explanation, we will notify you of our decision. In some cases, we may ask you to pay the tax in full before we remove or reduce the penalty for paying late.

Erroneous Advice from IRS

We will remove your penalty if all of the following apply:

1. You asked IRS for advice on a specific issue,
2. You gave IRS complete and accurate information,
3. You received advice from IRS,
4. You relied on the advice IRS gave you, and
5. You were penalized based on the advice IRS gave you.

To request removal of the penalty because of erroneous advice from IRS, you should do the following: (1) complete Form 843, *Claim for Refund and Request for Abatement*; and (2) send it to the IRS Service Center where you filed your return.

Interest: $3.26

09 Interest

IRC section 6601

We charge interest when your tax isn't paid on time. Interest is computed from the due date of your return (regardless of extensions) until paid in full.

Interest compounds daily except on late or underpaid estimated taxes for individuals or corporations. Interest is also charged on penalties for late filing, over or understating valuations, and substantially understating the tax you owe.

Corporate Interest - We charge additional interest of 2% if, according to our records, you didn't make your corporate tax payment within 30 days after the IRS notified you of the underpayment of tax. This interest begins on the 31st day after we notify you of the underpayment on tax amounts you owe over $100,000, minus your timely payments and credits.

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

(Please Print)

Place stamp here.
Post Office
will not deliver
mail without
proper postage.

LA 00001288

WMATA-INV 017367

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

For your protection and better service:

- Enter your taxpayer identifying number, form number and tax period on your check or money order.
- Ensure that the return address shows through the window.
- Do not staple, paper clip or tape check or money order to the notice.
- Do not send cash.

E-205 (Rev. 5-2001)
Cat. No. 22978H

LA 00001289

WMATA-INV 017368

IRS

Department of the Treasury
Internal Revenue Service

www.irs.gov

Notice 1219-B (Rev. 8-2005)
Catalog Number 73243V

Notice of Potential Third Party Contact

We are attempting to collect unpaid taxes from you. Generally, our practice is to deal directly with a taxpayer or a taxpayer's duly authorized representative. However, we sometimes talk with other persons when we need information that the taxpayer has been unable to provide, or to verify information we have received.

This notice is provided to tell you that we may contact other persons, such as a neighbor, bank, employer or employees, and will generally need to tell them limited information, such as your name. The law prohibits us from disclosing any more information than is necessary to obtain or verify the information we are seeking. Our need to contact other persons may continue as long as there is activity on this matter. If we contact other persons, you have the right to request a list of those contacted.

GPO U.S. GOVERNMENT PRINTING OFFICE: 2008—746-544

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

CERTIFIED MAIL

PRESORTED
FIRST-CLASS MAIL
POSTAGE AND FEES PAID
IRS
PERMIT NO. G-48

Official Business
Penalty for Private Use, $300

LA 00001291

WMATA-INV 017370

*** Slip Sheet ***

Document

REZNICK GROUP, P.C.
7700 OLD GEORGETOWN ROAD, SUITE 400
BETHESDA, MD 20814-6224

1920 8TH STREET VENTURE, LLC
4326 8TH STREET NW
WASHINGTON, DC 20011

DEAR CLIENT:

ENCLOSED ARE THE ORIGINAL AND ONE COPY OF THE FOLLOWING PARTNERSHIP RETURNS PREPARED ON BEHALF OF 1920 8TH STREET VENTURE, LLC FOR THE YEAR ENDED DECEMBER 31, 2007.

2007 1065 U.S. RETURN OF PARTNERSHIP INCOME
2007 D-65 D.C. PARTNERSHIP RETURN OF INCOME

THE ORIGINAL OF EACH RETURN SHOULD BE DATED, SIGNED, AND FILED IN ACCORDANCE WITH THE FILING INSTRUCTIONS ATTACHED TO THE PARTNERSHIP'S COPY OF THE RETURNS. A COPY OF EACH RETURN SHOULD BE RETAINED FOR THE PARTNERSHIP'S RECORDS.

IN ADDITION, WE ARE ENCLOSING A SCHEDULE K-1 FOR EACH PARTNER. PLEASE DISTRIBUTE AS SOON AS POSSIBLE.

WE SINCERELY APPRECIATE THIS OPPORTUNITY TO SERVE YOU. PLEASE CONTACT US IF YOU HAVE ANY QUESTIONS OR IF WE MAY BE OF FURTHER ASSISTANCE.

VERY TRULY YOURS,

LEE ISAACSON, CPA
PRINCIPAL

REZNICK GROUP, P.C.
7700 OLD GEORGETOWN ROAD, SUITE 400
BETHESDA, MD 20814-6224

****

INSTRUCTIONS FOR FILING
1920 8TH STREET VENTURE, LLC
FORM 1065 U.S. RETURN OF PARTNERSHIP INCOME
FOR THE YEAR ENDED DECEMBER 31, 2007.

****

SIGNATURE...
THE ORIGINAL RETURN SHOULD BE DATED AND SIGNED BY AN AUTHORIZED MEMBER ON PAGE ONE.

FILING...
THE SIGNED RETURN SHOULD BE FILED ON OR BEFORE OCTOBER 15, 2008 WITH ...

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE CENTER
CINCINNATI, OH 45999-0011

****

TO DOCUMENT THE TIMELY FILING OF YOUR TAX RETURNS, WE SUGGEST THAT YOU OBTAIN AND RETAIN PROOF OF MAILING. PROOF OF MAILING CAN BE ACCOMPLISHED BY SENDING THE TAX RETURNS BY REGISTERED OR CERTIFIED MAIL (METERED BY THE U.S. POSTAL SERVICE) OR THROUGH THE USE OF AN IRS APPROVED DELIVERY METHOD PROVIDED BY AN IRS DESIGNATED PRIVATE DELIVERY SERVICE.

7XY922 1.000

REZNICK GROUP, P.C.
7700 OLD GEORGETOWN ROAD, SUITE 400
BETHESDA, MD 20814-6224

****

INSTRUCTIONS FOR FILING
1920 8TH STREET VENTURE, LLC
FORM D-65 D.C. PARTNERSHIP RETURN OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2007.

****

SIGNATURE...
THE ORIGINAL RETURN SHOULD BE DATED AND SIGNED BY AN AUTHORIZED MEMBER ON PAGE TWO.

PAYMENT OF TAX...
NO TAX IS TO BE PAID WITH THIS RETURN.

FILING...
THE SIGNED RETURN SHOULD BE FILED ON OR BEFORE OCTOBER 15, 2008 WITH...

OFFICE OF TAX AND REVENUE
P.O. BOX 7792
WASHINGTON, D.C. 20044-7792

****

TO DOCUMENT THE TIMELY FILING OF YOUR TAX RETURNS, WE SUGGEST THAT YOU OBTAIN AND RETAIN PROOF OF MAILING. PROOF OF MAILING CAN BE ACCOMPLISHED BY SENDING THE TAX RETURNS BY REGISTERED OR CERTIFIED MAIL (METERED BY THE U.S. POSTAL SERVICE).

7XY924 1.000

INITIAL RETURN

Form **1065** Department of the Treasury Internal Revenue Service

U.S. Return of Partnership Income

For calendar year 2007, or tax year beginning _____, ending _____.
▶ See separate instructions.

OMB No. 1545-0099

2007

A Principal business activity: REAL ESTATE

B Principal product or service: RENTALS

C Business code number: 531110

Use the IRS label. Otherwise, print or type.

Name of partnership: 1920 8TH STREET VENTURE, LLC

Number, street, and room or suite no. If a P.O. box, see the instructions.: 4326 8TH STREET NW

City or town, state, and ZIP code: WASHINGTON, DC 20011

D Employer identification number: 26-1504833

E Date business started: 08/06/2007

F Total assets (see the instructions): $ 238,264.

G Check applicable boxes: (1) [X] Initial return (2) [ ] Final return (3) [ ] Name change (4) [ ] Address change (5) [ ] Amended return

H Check accounting method: (1) [ ] Cash (2) [X] Accrual (3) [ ] Other (specify) ▶

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ 2

J Check if Schedule M-3 attached [ ]

Caution. *Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.*

Income	1a	Gross receipts or sales	1a		
	b	Less returns and allowances	1b		1c
	2	Cost of goods sold (Schedule A, line 8)			2
	3	Gross profit. Subtract line 2 from line 1c			3
	4	Ordinary income (loss) from other partnerships, estates, and trusts *(attach statement)*			4
	5	Net farm profit (loss) *(attach Schedule F (Form 1040))*			5
	6	Net gain (loss) from Form 4797, Part II, line 17 *(attach Form 4797)*			6
	7	Other income (loss) *(attach statement)*			7
	8	**Total income (loss).** Combine lines 3 through 7			8
Deductions (see the instructions for limitations)	9	Salaries and wages (other than to partners) (less employment credits)			9
	10	Guaranteed payments to partners			10
	11	Repairs and maintenance			11
	12	Bad debts			12
	13	Rent			13
	14	Taxes and licenses			14
	15	Interest			15
	16a	Depreciation *(if required, attach Form 4562)*	16a		
	b	Less depreciation reported on Schedule A and elsewhere on return	16b		16c
	17	Depletion (**Do not deduct oil and gas depletion.**)			17
	18	Retirement plans, etc.			18
	19	Employee benefit programs			19
	20	Other deductions *(attach statement)*			20
	21	**Total deductions.** Add the amounts shown in the far right column for lines 9 through 20			21
	22	**Ordinary business income (loss).** Subtract line 21 from line 8			22

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [ ] No

▶ CLIENT'S FILE COPY
Signature of general partner or limited liability company member manager ▶ Date

Paid Preparer's Use Only

Preparer's signature ▶ Date Check if self-employed ▶ [ ] Preparer's SSN or PTIN: P00449628

Firm's name (or yours if self-employed), address, and ZIP code ▶ REZNICK GROUP, P.C.
7700 OLD GEORGETOWN ROAD, SUITE 400
BETHESDA, MD 20814-6224

EIN ▶ 52-1088612

Phone no. 301-652-9100

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Form **1065** (2007)

JSA
7P1010 2.000

48260S 2337 06/30/2008 08:34:17 V07-6.5 29-203055-5021 4

Form **7004** (Rev. December 2007) Department of the Treasury Internal Revenue Service

Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns

▶ File a separate application for each return.

OMB No. 1545-0233

Type or Print

File by the due date for the return for which an extension is requested. See instructions.

Name: 1920 8th Street Venture LLC

Identifying number: 26-1504833

Number, street, and room or suite no. (If P.O. box, see instructions.): c/o Corporation Service Company 2711 Centerville Road, Suite 400

City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)): Wilmington, Delaware 19808

Note. See instructions before completing this form.

1 Enter the form code for the return that this application is for (see below) 0 9

2 If the foreign corporation does not have an office or place of business in the United States, check here . . . . . ▶ ☐

3 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here . . . . . ▶ ☐

4 a The application is for calendar year 20 07 , or tax year beginning _____, 20____, and ending _____, 20____

b Short tax year. If this tax year is less than 12 months, check the reason:

☐ Initial return ☐ Final return ☐ Change in accounting period ☐ Consolidated return to be filed

5 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here ▶ . . . . . ☐

If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

6 Tentative total tax	6	
7 Total payments and credits (see instructions)	7	
8 Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions)	8	0

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND	19
Form 706-GS(T)	02	Form 1120-ND (section 4951 taxes)	20
Form 1041 (estate)	04	Form 1120-PC	21
Form 1041 (trust)	05	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120-S	25
Form 1065	09	Form 1120-SF	26
Form 1065-B	10	Form 3520-A	27
Form 1066	11	Form 8612	28
Form 1120	12	Form 8613	29
Form 1120-A (fiscal-year 2006-2007 corporations)	14	Form 8725	30
Form 1120-C	34	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33
Form 1120-H	17	Form 8924	35
Form 1120-L	18		

For Paperwork Reduction Act Notice, see instructions. Form **7004** (Rev. 12-2007)

JSA
7X0916 2.000

The Raznick Group P.C.
7700 Old Georgetown Road #400
Bethesda, MD 20814-6224
EIN 52-1058612

CONFIDENTIAL LA 00001296

Schedule A Cost of Goods Sold (see the instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	2	
3	Cost of labor	3	
4	Additional section 263A costs *(attach statement)*	4	
5	Other costs *(attach statement)*	5	
6	**Total.** Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	**Cost of goods sold.** Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9a Check all methods used for valuing closing inventory:
(i) ☐ Cost as described in Regulations section 1.471-3
(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4
(iii) ☐ Other (specify method used and attach explanation) ▶

b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ▶ ☐
c Check this box if the LIFO inventory method was adopted this tax year for any goods *(if checked, attach Form 970)* ▶ ☐
d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ☐ Yes ☐ No
e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No
If "Yes," attach explanation.

Schedule B Other Information

		Yes	No
1	What type of entity is filing this return? Check the applicable box:		
	a ☐ Domestic general partnership b ☐ Domestic limited partnership		
	c ☒ Domestic limited liability company d ☐ Domestic limited liability partnership		
	e ☐ Foreign partnership f ☐ Other ▶		
2	Are any partners in this partnership also partnerships?		X
3	During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," see instructions for required attachment SEE STATEMENT 1	X	
4	Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details		X
5	Does this partnership meet all three of the following requirements?		
	a The partnership's total receipts for the tax year were less than $250,000;		
	b The partnership's total assets at the end of the tax year were less than $600,000; and		
	c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return		X
	If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.		
6	Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 8804, 8805 and 8813. See the instructions		X
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8	Has this partnership filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		X
9	At any time during calendar year 2007, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶		X
10	During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See the instructions		X
11	Was there a distribution of property or a transfer (for example, by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under *Elections Made By the Partnership* in the instructions		X
12	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return ▶		

Designation of Tax Matters Partner (see the instructions)
Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶ JOSHUA A. ADLER
C/O LAKRITZ ADLER DEVELOPMENT LLC
Identifying number of TMP ▶ 220-08-5504
Address of designated TMP ▶ 4326 8TH STREET, NW
WASHINGTON DC 20011

CONFIDENTIAL LA 00001297
FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017377

Schedule K	Partners' Distributive Share Items			Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)		1	
	2 Net rental real estate income (loss) *(attach Form 8825)*		2	-67,031.
	3a Other gross rental income (loss)	3a		
	b Expenses from other rental activities *(attach statement)*	3b		
	c Other net rental income (loss). Subtract line 3b from line 3a		3c	
	4 Guaranteed payments		4	
	5 Interest income		5	682.
	6 Dividends: a Ordinary dividends		6a	
	b Qualified dividends	6b		
	7 Royalties		7	
	8 Net short-term capital gain (loss) *(attach Schedule D (Form 1065))*		8	
	9a Net long-term capital gain (loss) *(attach Schedule D (Form 1065))*		9a	
	b Collectibles (28%) gain (loss)	9b		
	c Unrecaptured section 1250 gain *(attach statement)*	9c		
	10 Net section 1231 gain (loss) *(attach Form 4797)*		10	
	11 Other income (loss) *(see instructions)* Type ▶		11	
Deductions	12 Section 179 deduction *(attach Form 4562)*		12	
	13a Contributions		13a	
	b Investment interest expense		13b	
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶		13c(2)	
	d Other deductions *(see instructions)* Type ▶		13d	
Self-Employment	14a Net earnings (loss) from self-employment		14a	
	b Gross farming or fishing income		14b	
	c Gross nonfarm income		14c	
Credits	15a Low-income housing credit (section 42(j)(5))		15a	
	b Low-income housing credit (other)		15b	
	c Qualified rehabilitation expenditures (rental real estate) *(attach Form 3468)*		15c	
	d Other rental real estate credits *(see instructions)* Type ▶		15d	
	e Other rental credits *(see instructions)* Type ▶		15e	
	f Other credits *(see instructions)* Type ▶		15f	
Foreign Transactions	16a Name of country or U.S. possession ▶			
	b Gross income from all sources		16b	
	c Gross income sourced at partner level		16c	
	Foreign gross income sourced at partnership level			
	d Passive category ▶ e General category ▶ f Other ▶		16f	
	Deductions allocated and apportioned at partner level			
	g Interest expense ▶ h Other ▶		16h	
	Deductions allocated and apportioned at partnership level to foreign source income			
	i Passive category ▶ j General category ▶ k Other ▶		16k	
	l Total foreign taxes (check one): ▶ Paid ☐ Accrued ☐		16l	
	m Reduction in taxes available for credit *(attach statement)*		16m	
	n Other foreign tax information *(attach statement)*			
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment		17a	
	b Adjusted gain or loss		17b	
	c Depletion (other than oil and gas)		17c	
	d Oil, gas, and geothermal properties - gross income		17d	
	e Oil, gas, and geothermal properties - deductions		17e	
	f Other AMT items *(attach statement)*		17f	
Other Information	18a Tax-exempt interest income		18a	
	b Other tax-exempt income		18b	
	c Nondeductible expenses		18c	
	19a Distributions of cash and marketable securities		19a	
	b Distributions of other property		19b	
	20a Investment income		20a	682.
	b Investment expenses		20b	
	c Other items and amounts *(attach statement)*			

CONFIDENTIAL LA 00001298
FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017378

Analysis of Net Income (Loss)

1	Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l	1	-66,349.

2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a General partners						
b Limited partners			-66,349.			

Schedule L Balance Sheets per Books

Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1 Cash		NONE		6,246.
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach statement)	STMT 2	NONE		22,274.
7 Mortgage and real estate loans				
8 Other investments (attach statement)				
9a Buildings and other depreciable assets				
b Less accumulated depreciation				
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)	NONE		113,528.	
b Less accumulated amortization	NONE	NONE	3,784.	109,744.
13 Other assets (attach statement)	STMT 2	NONE		100,000.
14 Total assets		NONE		238,264.
Liabilities and Capital				
15 Accounts payable		NONE		1,613.
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach statement)				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach statement)	STMT 2	NONE		3,000.
21 Partners' capital accounts		NONE		233,651.
22 Total liabilities and capital		NONE		238,264.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1 Net income (loss) per books	-66,349.	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize): a Tax-exempt interest $	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):			
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize): a Depreciation $	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize): a Depreciation $ b Travel and entertainment $		8 Add lines 6 and 7	
5 Add lines 1 through 4	-66,349.	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-66,349.

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year		6 Distributions: a Cash	
2 Capital contributed: a Cash	300,000.	b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	-66,349.		
4 Other increases (itemize):		8 Add lines 6 and 7	
5 Add lines 1 through 4	233,651.	9 Balance at end of year. Subtract line 8 from line 5	233,651.

Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2007

Attachment Sequence No. **67**

Name(s) shown on return: 1920 8TH STREET VENTURE, LLC

Identifying number: 26-1504833

Business or activity to which this form relates: 1920 8TH STREET

Part I Election To Expense Certain Property Under Section 179

Note: *If you have any listed property, complete Part V before you complete Part I.*

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	125,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	500,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6			

7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B - Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C - Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

JSA For Paperwork Reduction Act Notice, see separate instructions.
7X2300 1.000

Form **4562** (2007)

48260S 2337 06/30/2008 08:34:17 V07-6.5 29-203055-5021 8

Part V **Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A - Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.*)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special allowance for qualified Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						25		
26 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1						28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: *If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.*

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2007 tax year (see instructions):					
GROUND LEASE COSTS	09/01/2007	113,528.	178	10.000	3,784.
43 Amortization of costs that began before your 2007 tax year				43	
44 Total. Add amounts in column (f). See the instructions for where to report				44	3,784.

Form **8825** (Rev. December 2006) Department of the Treasury Internal Revenue Service

Rental Real Estate Income and Expenses of a Partnership or an S Corporation

▶ See instructions on back.
▶ Attach to Form 1065, Form 1065-B, or Form 1120S.

OMB No. 1545-1186

2007

Name: 1920 8TH STREET VENTURE, LLC

Employer identification number: 26-1504833

1 Show the kind and location of each property. See page 2 to list additional properties.

A 1920 8TH STREET WASHINGTON, DC

B

C

D

		Properties A	B	C	D
Rental Real Estate Income					
2 Gross rents	2	6,000.			
Rental Real Estate Expenses					
3 Advertising	3				
4 Auto and travel	4				
5 Cleaning and maintenance	5				
6 Commissions	6				
7 Insurance	7				
8 Legal and other professional fees	8	6,060.			
9 Interest	9				
10 Repairs	10				
11 Taxes SEE STATEMENT	11	150.			
12 Utilities	12				
13 Wages and salaries	13				
14 Depreciation (see instructions)	14				
15 Other (list) ▶ SEE STATEMENT	15	66,821.			
16 Total expenses for each property. Add lines 3 through 15	16	73,031.			

17	Total gross rents. Add gross rents from line 2, columns A through H	17	6,000.
18	Total expenses. Add total expenses from line 16, columns A through H	18	(73,031.)
19	Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities	19	
20a	Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1)	20a	
b	Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed: (1) Name (2) Employer identification number		
21	Net rental real estate income (loss). Combine lines 17 through 20a. Enter the result here and on: • **Form 1065 or 1120S:** Schedule K, line 2, or • **Form 1065-B:** Part I, line 4	21	-67,031.

For Paperwork Reduction Act Notice, see back of form.

Form **8825** (12-2006)

JSA 7X8455 1.000

48260S 2337 06/30/2008 08:34:17 V07-6.5 29-203055-5021 10

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

1920 8TH STREET VENTURE, LLC

2007 Amortization

26-1504833

Description of Property

1920 8TH STREET

RENTAL REAL ESTATE

Asset description	Date placed in service	Cost or basis	Beginning Accumulated amortization	Ending Accumulated amortization	Code	Life	Current-year amortization
GROUND LEASE COSTS	09/01/2007	113,528.		3,784.	178	10.000	3,784.
Less: Retired Assets							
TOTALS		113,528.		3,784.			3,784.

* Assets Retired

JSA
7X9028 1.000

48260S 2337 06/30/2008 08:34:17 V07-6.5 29-203055-5021

LA 00001303

WMATA-INV 017383

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

1920 8TH STREET VENTURE, LLC

2007 Depreciation

26-1504833

Description of Property

1920 8TH STREET VENTURE, LLC

GENERAL TRADE OR BUSINESS

Asset description	Date placed in service	Unadjusted cost or basis	Bus. %	179 exp. reduc. in basis	Basis Reduction	Basis for Depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Method	Convention	Life	ACRS class	MACRS class	Current-yr 179 expense	Current-year depreciation
OTHER:															
Less: Retired Assets															
TOTALS															

*Assets Retired

JSA
7X9027 1.000

48260S 2337 06/30/2008 08:34:17 V07-6.5 29-203055-5021

LA 00001304

WMATA-INV 017384

Election To Deduct Start-Up Expenditures
IRC Section 195

Taxpayer Name: 1920 8TH STREET VENTURE, LLC
Taxpayer ID Number: 26-1504833
Year-end: 12/31/2007

Section 195 Election

In accordance with IRC Sec. 195, taxpayer hereby elects to deduct start-up expenditures up to $5,000 in the tax year in which the business begins. The remainder of the startup expenditures are deductible ratably over 180 months, beginning with AUGUST, the month that the corporation's active trade or business began (or was acquired).

The trade or business of the taxpayer to which this election relates is REAL ESTATE RENTALS.

The start-up expense incurred are:

Description of Start-Up Expense	Date Incurred	Amount
NONE		
	Total	

7XE140 1.000

48260S 2337 06/30/2008 08:34:17 V07-6.5 29-203055-5021 13

Election by Partnership to Amortize Organizational Expenditures
IRC Section 709(b)

Section 709(b) Election

1920 8TH STREET VENTURE hereby elects under Section 709(b) of the Internal Revenue Code deduct $ NONE of organizational expenses on its current-year income tax return. In addition, the partnership will amortize any remaining organizational expenditures over a period of 180 months beginning with AUGUST, the month the partnership's business began. The organizational expenditures are as follows:

Name of Expenditure	Amount	Date Incurred
NONE		

7XE114 1.000

48260S 2337 06/30/2008 08:34:17 V07-6.5 29-203055-5021 14

SCHEDULE B - QUESTION 3 DETAIL

TYPE OF ENTITY	NAME OF ENTITY	ID NUMBER	COUNTRY
LIMITED LIABILITY CO	1920 8TH STREET, LLC	26-1504956	US

SCHEDULE L - LINE 6 - OTHER CURRENT ASSETS	BEGINNING	ENDING
WORK IN PROCESS	NONE	22,274.
TOTAL OTHER CURRENT ASSETS	NONE	22,274.

SCHEDULE L - LINE 13 - OTHER ASSETS	BEGINNING	ENDING
DEPOSITS	NONE	100,000.
TOTAL OTHER ASSETS	NONE	100,000.

SCHEDULE L - LINE 20 - OTHER LIABILITIES	BEGINNING	ENDING
TENANT SECURITY DEPOSITS	NONE	3,000.
TOTAL OTHER LIABILITIES	NONE	3,000.

1920 8TH STREET VENTURE, LLC 26-1504833
FORM 8825: RENTAL REAL ESTATE ACTIVITY SUPPORTING SCHEDULES

PROPERTY # 1: 1920 8TH STREET

TAXES

LICENSES & PERMITS	150.
TOTAL TAXES	150.

PROPERTY # 1: 1920 8TH STREET

OTHER EXPENSES

GROUND LEASE RENT	50,000.
ADMINISTRATIVE EXPENSES	224.
LEASE SUBORDINATION FEES	12,813.
AMORTIZATION	3,784.
TOTAL OTHER EXPENSES	66,821.

STATEMENT #3

7XX083 1.000
48260S 2337 06/30/2008 08:34:17 V07-6.5 29-203055-5021 17

Schedule K-1, Item L - Analysis of Partners Capital Accounts

Partner Number	A. Capital Account at Beginning of Year	B. Capital Contributed During Year	C. Partners' Shares of Sch. M-2, Lines 3, 4, and 7	D. Withdrawals and Distributions	E. Capital Account at End of Year
1		150,000.	-33,175.		116,825.
2		150,000.	-33,174.		116,826.
TOTALS		300,000.	-66,349.		233,651.

JSA
7P8040 2.000 1920 8TH STREET VENTURE, LLC 26-1504833
48260S 2337 06/30/2008 08:34:17 V07-6.5 29-203055-5021 18

INITIAL RETURN

651107

☐ Final K-1 ☐ Amended K-1 OMB No. 1545-0099

Schedule K-1 (Form 1065)

Department of the Treasury
Internal Revenue Service

2007

For calendar year 2007, or tax year beginning _____, 2007
ending _____, 20__

Partner's Share of Income, Deductions, Credits, etc.

▶ See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
26-1504833

B Partnership's name, address, city, state, and ZIP code
1920 8TH STREET VENTURE, LLC
4326 8TH STREET NW
WASHINGTON, DC 20011

C IRS Center where partnership filed return
CINCINNATI

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number 1
220-08-5504

F Partner's name, address, city, state, and ZIP code
JOSHUA A. ADLER
C/O LAKRITZ ADLER DEVELOPMENT LLC
4326 8TH STREET, NW
WASHINGTON, DC 20011

G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

H ☒ Domestic partner ☐ Foreign partner

I What type of entity is this partner? INDIVIDUAL

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	50.000000 %	50.000000 %
Loss	50.000000 %	50.000000 %
Capital	50.000000 %	50.000000 %

K Partner's share of liabilities at year end:
Nonrecourse . . . . . $ 2,307.
Qualified nonrecourse financing . . . $ NONE
Recourse . . . . . $ NONE

L Partner's capital account analysis:
Beginning capital account . . . . . $
Capital contributed during the year . . $ 150,000.
Current year increase (decrease) . . . $ -33,175.
Withdrawals & distributions . . . . $ ( )
Ending capital account . . . . . $ 116,825.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss) -33,516.		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income 341.		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
		19	Distributions
12	Section 179 deduction		
13	Other deductions	20	Other information
		A	341.
14	Self-employment earnings (loss)		

*See attached statement for additional information.

For IRS Use Only

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2007

JSA
7P1200 2.000

48260S 2337 06/30/2008 08:34:17 V07-6.5 29-203055-5021 19

PARTNER FOOTNOTES

THE LIMITED LIABILITY COMPANY LEASES PROPERTY IN THE DISTRICT OF COLUMBIA. PLEASE CONSULT YOUR TAX ADVISOR REGARDING LOCAL FILING REQUIREMENTS.

INITIAL RETURN

651107

☐ Final K-1 ☐ Amended K-1 OMB No. 1545-0099

Schedule K-1 (Form 1065)

2007

For calendar year 2007, or tax year beginning _____, 2007 ending _____, 20__

Department of the Treasury
Internal Revenue Service

Partner's Share of Income, Deductions, Credits, etc.

▶ See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
26-1504833

B Partnership's name, address, city, state, and ZIP code
1920 8TH STREET VENTURE, LLC
4326 8TH STREET NW
WASHINGTON, DC 20011

C IRS Center where partnership filed return
CINCINNATI

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number 2
386-96-5203

F Partner's name, address, city, state, and ZIP code
ROBB M. LAKRITZ
C/O LAKRITZ ADLER DEVELOPMENT LLC
4326 8TH STREET, NW
WASHINGTON, DC 20011

G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

H ☒ Domestic partner ☐ Foreign partner

I What type of entity is this partner? INDIVIDUAL

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	50.000000 %	50.000000 %
Loss	50.000000 %	50.000000 %
Capital	50.000000 %	50.000000 %

K Partner's share of liabilities at year end:
Nonrecourse . . . . . $ 2,306.
Qualified nonrecourse financing . . . $ NONE
Recourse . . . . . $ NONE

L Partner's capital account analysis:
Beginning capital account . . . . . $
Capital contributed during the year . . $ 150,000.
Current year increase (decrease) . . . $ -33,174.
Withdrawals & distributions . . . . $ ( )
Ending capital account . . . . . $ 116,826.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss) -33,515.		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income 341.		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
		19	Distributions
12	Section 179 deduction		
13	Other deductions	20	Other information
		A	341.
14	Self-employment earnings (loss)		

*See attached statement for additional information.

For IRS Use Only

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2007

JSA
7P1200 2.000

48260S 2337 06/30/2008 08:34:17 V07-6.5 29-203055-5021 21

PARTNER FOOTNOTES

THE LIMITED LIABILITY COMPANY LEASES PROPERTY IN THE DISTRICT OF COLUMBIA. PLEASE CONSULT YOUR TAX ADVISOR REGARDING LOCAL FILING REQUIREMENTS.

Government of the District of Columbia

2007 D-65 SUB Partnership Return of Income

0 7 0 6 5 0 2 1 1 0 6 2

OFFICIAL USE ONLY

Taxable year beginning MMDDYYYY
01012007

Federal Employer ID Number
261504833

Social Security Number (If self employed)

Taxable year ending MMDDYYYY
12312007

Business name
1920 8TH STREET VENTURE, LLC
X

Address line #1
4326 8TH STREET NW

Mark if Amended Return

Address line #2

City
WASHINGTON

State DC

Zipcode + 4 20011

WHOLE DOLLAR AMOUNTS ONLY

INCOME	1 Gross receipts or sales, minus returns and allowances		1 $	.00
	2 Cost of goods sold and/or operations		2 $	.00
	3 Gross profit (Line 1 minus Line 2)	Mark if minus	3 $	.00
	4 Ordinary income (loss) from other partnerships, estates, and trusts, etc.	Mark if minus	4 $	.00
	5 Net farm profit (loss)	Mark if minus	5 $	.00
	6 Net gain (loss)	Mark if minus	6 $	.00
	7 Other income (loss)	Mark if minus	7 $	.00
	8 Total income (Add Lines 3 - 7)	Mark if minus	8 $	.00
DEDUCTIONS	9 Salaries and wages paid to non partners		9 $	.00
	10 Payments to partners		10 $	.00
	11 Repairs and maintenance		11 $	.00
	12 Bad debts		12 $	.00
	13 Rent		13 $	.00
	14 Taxes and licenses		14 $	.00
	15 Interest		15 $	.00
	16 Depreciation, minus depreciation reported elsewhere on return		16 $	.00
	17 Depletion		17 $	.00
	18 Retirement plans		18 $	.00
	19 Employee benefit programs		19 $	.00
	20 Other deductions		20 $	.00
	21 Total deductions (Add Lines 9 - 20)		21 $	.00
	22 Ordinary income (loss) (Line 8 minus Line 21)	Mark if minus	22 $	.00

TO COMLETE THIS RETURN ANSWER THE QUESTIONS ON PAGE 2 OF THIS RETURN
Mail return to: DC Office of Tax and Revenue, PO Box 447, Washington, DC 20044-0447.
Make no payment with this return.

CONFIDENTIAL LA 00001315

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017395

Business Name: 1920 8TH STREET VENTURE, LLC
FEIN or SSN 261504833

A. Date entity was organized — Date MMDDYYYY 08062007

B. Mark if this return is — X an initial return — a final return

C. Mark if your accounting method — cash — X accrual — other (specify)

D. Number of partners in this partnership — 2

E. Is this a limited partnership? — YES — X NO

F. Is this a limited liability company? — X YES — NO

G. Are any partners in this partnership also partnerships or corporate entities? — YES — X NO

H. Is this partnership a partner in another partnership? — X YES — NO

I. Was there a distribution or transfer of property that caused an adjustment of the basis of the partnership's assets under IRC Section 754? — YES — X NO

J. Was a D-65 filed for the preceding year? — YES — X NO

K. Was a 2007 unincorporated business franchise tax return (Form D-30) filed for this business? — YES — X NO
If "YES", provide name under which return was filed

L. Have you filed annual federal income tax information return Forms 1099 and 1096? — YES — X NO

M. Did you withhold DC income tax from the wages of your employees during 2007? — YES — X NO
If "NO", state reason NO EMPLOYEES

N. During 2007, has the IRS made or proposed any adjustments to your federal Form 1065, or did you file amended returns with the IRS? — YES — X NO
If "YES", submit a separate detailed explanation and an amended D-65 return reflecting the adjustments to:
THE OFFICE OF TAX AND REVENUE, P.O. BOX 447, WASHINGTON, D.C. 20044-0447.

- Attach a copy of the Federal partnership return (Form 1065) with K-1 and other schedules which you file.
- Attach a schedule showing the pass-through distribution of income to all members of the partnership.
- If you are filing this Form D-65, instead of Form D-30, attach an explanation (See instruction A).

Under penalties of law, I declare that I have examined this return and, to the best of my knowledge, it is correct. Declaration of paid preparer is based on information available to the preparer.

PLEASE SIGN HERE

CLIENT'S FILE COPY
PARTNER OR MEMBER'S SIGNATURE — DATE

3016529100
Telephone number of person to contact

PREPARER'S SIGNATURE (If other than taxpayer) — DATE

P00449628
Paid Preparer's, FEIN, SSN or PTIN

PAID PREPARER ONLY

REZNICK GROUP, P.C.
FIRM NAME
7700 OLD GEORGETOWN ROAD, SUITE 400
BETHESDA MD 20814
FIRM ADDRESS

2007 D-65 SUB P2

Rev. 10/07 7Q1012 1.000

2007 FR-128 SUB Extension of Time
File DC Franchise or Partnership Return

Important: Leave lines blank that do not apply.

Extension of time to file

1. Total Tax Liability for the tax Period	1. $	.00
2. Estimated Franchise Tax Payments (include any overpayment credit)	2. $	.00
3. Other payments	3. $	.00
4. Total payments and credits (Add Lines 2 and 3)	4. $	.00
5. Balance due (Line 1 minus Line 4). Enter the amount here and on the voucher below.	5. $	.00

(Note: You will be subject to the failure-to-pay penalty and interest on any tax due and not paid with this request)

You must send payment in full with this form or your request will be denied.
Attach check or money order made payable to DC Treasurer. Include your FEIN or SSN, "2007 FR-128" on your payment.
Mail the bottom portion of this form with any payment to:

Office of Tax and Revenue
PO Box 7792
Washington DC 20044-7792

Detach at perforation before mailing

Government of the District of Columbia

2007 FR-128 SUB Extension of Time to File DC Franchise or Partnership Return

0 7 1 2 8 0 2 1 1 0 6 2
OFFICIAL USE ONLY

Federal Employer I.D. Number
26-150483

Social Security Number (if self-employed)

Business Name
1920 8TH ST VENTURE

Taxable year beginning MM/YY: 1231
Taxable year ending MM/YY: 2007

Business mailing address line #1
2711 CENTERVILLE RD STE 400

City: WILMINGTON
State: DE
Zipcode + 4: 19808

Request for a 6-month extension of time to file until 15, 2008, for calendar year 2007, or until , for fiscal year ending , 200 is requested for the following return (check one):

D-20 Corporation Franchise Tax Return D-30 Unincorporated Business Franchise Tax Return D-65 Partnership Return of Income

Amount submitted with this form $ 0.00

2007 FR-128 SUB P1

Rev. 11/07 TY1023 1.000

The Raznick Group P.C.
7700 Old Georgetown Road #400
Bethesda, MD 20814-6224
EIN 52-1888812

REASON FOR NOT FILING FORM D-30

GROSS RECEIPTS ARE LESS THAN $12,000.

PARTNER	NAME AND ADDRESS OF PARTNER	S.S.N	% OF TIME DEVOTED
1	JOSHUA A. ADLER C/O LAKRITZ ADLER DEVELOPMENT LLC 4326 8TH STREET, NW WASHINGTON, DC 20011	220-08-5504	
2	ROBB M. LAKRITZ C/O LAKRITZ ADLER DEVELOPMENT LLC 4326 8TH STREET, NW WASHINGTON, DC 20011	386-96-5203	

CONFIDENTIAL LA 00001319

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017399

PARTNER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

PARTNER # 1 PARTNER NAME JOSHUA A. ADLER

NET INCOME FROM RENTAL REAL ESTATE	-33,516.
INTEREST INCOME	341.

PARTNER # 2 PARTNER NAME ROBB M. LAKRITZ

NET INCOME FROM RENTAL REAL ESTATE	-33,515.
INTEREST INCOME	341.

1920 8TH STREET VENTURE, LLC 26-1504833
D.C. FORM 65 SUPPORTING SCHEDULES

RECONCILIATION OF PARTNER'S CAPITAL ACCOUNTS

PTR#	1. CAPITAL ACCOUNT AT BEG. OF YEAR	2. CAPITAL CONTRIBUTED DURING YEAR	3. INCOME FROM M-2	4. WITHDRAWALS AND DISTRIBUTIONS	5. CAPITAL AT END OF YEAR
1		150,000.	-33,175.		116,825.
2		150,000.	-33,174.		116,826.
TOTALS		300,000.	-66,349.		233,651.

STATEMENT # 4

7XX063 1.000
48260S 2337 06/30/2008 08:34:17 V07-6.5 29-203055-5021 26

*** Slip Sheet ***

Document

1040

1920 8TH STREET LLC
4326 8th Street NW
Washington, DC 20011

BB&T
BRANCH BANKING AND TRUST COMPANY
DISTRICT OF COLUMBIA

15-154-540

PAY
TO THE
ORDER OF

VOID

$

DOLLARS

Security features. Details on back.

MEMO

AUTHORIZED SIGNATURE

⑈00001040⑈ ⑆054001547⑆000516277863 5⑈

1920 8TH STREET LLC

1040

1920 8TH STREET LLC

1040

PRODUCT DLT104 USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0042

CONFIDENTIAL

LA 00001322

*** Slip Sheet ***

Document

1920 8TH ST - PRE-DEVELOPMENT

LA 00001323

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017405

*** Slip Sheet ***

Document

1920 8th Street LLC

4326 8th Street NW • Washington, DC 20011
Phone 202-882-0808 • Fax 202-882-0809

October 2, 2008

Medal, Inc.
9210 Pegasus Court
Potomac, MD 20854
Attn: Dr. Abraham Medhane

RE: Lease Extension for Lot 46, Square 393 (1920 8th Street NW)

Dear Dr. Medhane:

Please accept this letter as our notice to extend the ground lease for the above referenced property for another year. Please sign below to acknowledge your acceptance of our extension, and return a copy to us via fax at 202-882-0809. Thank you in advance for your prompt response.

Yours truly,

Robb M. LaKritz, Managing Member
1920 8th Street LLC

*** Slip Sheet ***

Document

All Returned to Chiara Richardson 7.21.08

July 16, 2008

Mr. Josh Adler JRW
LaKritz Adler Development LLC
4326 8th Street NW
Washington, DC 20011

Re: Letter of Credit No: 9560251537/00001

Dear Mr. Adler:

Enclosed is the original letter of credit your team posted for its Shaw-Howard/ Florida Avenue joint development proposal. We thank you for answering our solicitation and for providing a well thought-out proposal. We hope that you will consider responding to future solicitations.

Sincerely,

Joel R. Washington

Joel R. Washington
Director of Station Area Planning and Asset Management
Office of Planning and Joint Development

Washington Metropolitan Area Transit Authority

600 Fifth Street, NW
Washington, DC 20001
202/962-1234

By Metrorail:
Judiciary Square—Red Line
Gallery Place-Chinatown—Red, Green and Yellow Lines
By Metrobus:
Routes D1, D3, D6, P6, 70, 71, 80, X2

A District of Columbia, Maryland and Virginia Transit Partnership

BB&T

Branch Banking & Trust Co.

1909 K Street NW
Washington, DC 20006

IRREVOCABLE STANDBY LETTER OF CREDIT

Letter of Credit No: 9560251537/00001
Issue Date: _October 5, 2007

APPLICANT:
Name: LaKritz Adler Development LLC
Address: 4326 8th Street, Washington, DC 20011-7214

Re: Issued in connection with
Joint Development Site: Shaw Howard/Florida Avenue
Joint Development Solicitation (JDS) Dated: October 5, 2007

BENEFICIARY:
Washington Metropolitan Area Transit Authority
600 Fifth Street, NW
Washington, D.C. 20001

Ladies and Gentlemen:

1. We hereby open in your favor, at the request and for the account of the above Identified Applicant, our Irrevocable Standby Letter of Credit No: _9560251537/00001__ in an aggregate amount of One Hundred Thousand and 00/100's, US Dollars (USD 100,000.00), to be available for payment of your drafts drawn at sight on us, and accompanied, in the case of each draft, by your written certification to us signed ,by any person purporting to act on your behalf, stating:

   Applicant as the Selected Developer for the above-referenced Joint Development Site pursuant to that certain Joint Development Solicitation (JDS) Dated_October 5, 2007_ , and issued by Beneficiary has been terminated as the Selected Developer in accordance with Section 5.2 of ,the JDS, and Beneficiary hereby certifies that the Sight Draft presented herewith constitutes an amount owed to Beneficiary under the JDS.

2. Drafts drawn under this letter of credit (as same may have been or may be amended from time to time) shall be completely sufficient if in the form attached hereto as Exhibit A, and need not be endorsed on the letter of credit. We will accept any and all statements delivered pursuant to this credit as conclusive, binding and correct without having to investigate or being responsible for the accuracy, truthfulness, correctness or validity thereof and notwithstanding the claim of any person to the contrary.

3. This credit shall expire, unless extended as provided herein, at 5:00 PM local time in Washington, DC on December 31, 2008. If such date is a Saturday, Sunday, legal holiday, or day on which we are not open for business on account of any other reason, the expiration date set forth above shall automatically be extended to our next regular business day. It is a condition of this credit that it will be automatically extended without amendment for an additional period of twelve (12) months from the present and each future expiration date, we notify you by Registered Mail that we elect not to extend this credit for any additional period. Upon your receipt of such a notification, you may draw your sight draft on us prior to the then-relevant expiration date for the unused balance of this credit, which need be accompanied only by your signed written statement that you received notification of our election not extend.

4. All drafts drawn under this letter of credit must refer to the number and issue date of this credit, and must be marked "Drawn under Branch Banking & Trust Company Irrevocable Standby Letter of Credit No. 9560251537/00001 .

5. We agree to honor each draft drawn under and in compliance with the terms of this credit, if duly presented at our offices at 1909 K St. Washington, DC at or before 5:00 P.M. local time in Washington, D.C. We agree to deliver payment in full of each such draft without any processing, check, or other fees whatsoever, to your offices as set forth hereinabove. Attn: General Counsel, not later than thirty-six (36) hours after the time of presentment (not including Saturdays, Sundays, legal holidays, or any day on which we are not open for business on account of any other reason) by our Cashier's or Teller's check payable solely to the order of the "Washington Metropolitan Area Transit Authority."

6. The original and/or any amendment of the credit under which drafts are presented by you need not be presented with any draft drawn thereunder in order to constitute a valid presentment, unless such draft is a full and/or final draft under this credit.

7. Partial drawings under this letter of credit are permitted.

8. This credit shall be governed by the Uniform Customs and Practices for Documentary Credits, UCP 500 (1993 Rev.), published by the International Chamber of Commerce, and to the extent not so governed in accordance with the statute and case law of the District of Columbia.

Very truly yours,

Branch Banking & Trust Company

Brian R. Kuehn
Vice President

CC: Exhibit A: Sight Draft

Sight Draft

Date:_____

AT SIGHT, pay to the order or-Washington Metropolitan Area Transit Authority, the sum of _____Dollars (USD"_____).

For Value Received, and charge to the account of LaKritz Adler Development LLC.

Drawn under Branch Banking & Trust Company Irrevocable Standby Letter Credit No. _____, dated _____.

Washington Metropolitan Area Transit Authority, as Beneficiary under said Irrevocable Standby Letter of Credit No. _____, dated _____, hereby certifies to you that:

[insert certification language]

TO: Branch Banking & Trust Company
1909 K St. NW 2nd Floor
Washington, DC 20005
Attn: Letter of Credit Department

Washington Metropolitan Area Transit Authority

By: _____

Print Name: _____

Title: _____

600 Fifth Street, NW
Washington, D.C. 20001

*** Slip Sheet ***

Document

1920 8TH STREET LLC
ORG. DOCS

*** Slip Sheet ***

Document

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS

CERTIFICATE

THIS IS TO CERTIFY that all applicable provisions of the District of Columbia Limited Liability Company Act have been complied with and accordingly, this ***CERTIFICATE OF REGISTRATION*** is hereby issued to:

1920 8TH STREET LLC

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of this office to be affixed as of the **1st** day of **July, 2008.**

LINDA K. ARGO
Director

Business and Professional Licensing Administration

PATRICIA E. GRAYS
Superintendent of Corporations
Corporations Division

Adrian M. Fenty
Mayor

CONFIDENTIAL

LA 00001331

*** Slip Sheet ***

Document

1920 8TH STVENTURE LLC
ORG. DOCS.

CONFIDENTIAL

LA 00001332

*** Slip Sheet ***

Document

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS

CERTIFICATE

THIS IS TO CERTIFY that all applicable provisions of the District of Columbia Limited Liability Company Act have been complied with and accordingly, this ***CERTIFICATE OF REGISTRATION*** is hereby issued to:

1920 8TH STREET VENTURE LLC

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of this office to be affixed as of the **1st** day of **July, 2008.**

LINDA K. ARGO
Director

Business and Professional Licensing Administration

PATRICIA E. GRAYS
Superintendent of Corporations
Corporations Division

Adrian M. Fenty
Mayor

CONFIDENTIAL

LA 00001333

*** Slip Sheet ***

Document

Messages Help Security Logoff

OVERVIEW | ACCOUNTS | TRANSFERS | BILL PAYMENT | STATEMENTS | CUSTOMER SERVICE

Make Payment | Payees | Scheduled Payments | Payment History

Make Payment

Payment Confirmation:

You have successfully scheduled your payment(s).

Payee Name:	Medal, Inc.	**Processing Date:**	12/01/2008
Payee Account #:	Ground Rent	**Delivery Date:**	12/08/2008
Amount:	$12,500.00		
Account to Debit:	1920 8th Street LLC / $28,850.17	**Reference Number:**	0000000605
Frequency:	Single Payment	**Memo:**	
# of Payments:	1		

Note: Funds for this payment will be withdrawn when the check clears your account.

OK

ENTERED

For assistance, call BB&T OnLine Support at 1-888-BBT-ONLINE (1-888-228-6654).

CONFIDENTIAL LA 00001334

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017423

*** Slip Sheet ***

Document

Messages Help Security Logoff

OVERVIEW | ACCOUNTS | TRANSFERS | BILL PAYMENT | STATEMENTS | CUSTOMER SERVICE

Make Payment | Payees | Scheduled Payments | Payment History

Make Payment

Payment Confirmation:

You have successfully scheduled your payment(s).

Payee Name:	Medal, Inc.	**Processing Date:**	10/31/2008
Payee Account #:	Rent & Subordintn Fee	**Delivery Date:**	11/07/2008
Amount:	$12,500.00		
Account to Debit:	1920 8th Street LLC / $14,445.17	**Reference Number:**	0000000597
Frequency:	Single Payment	**Memo:**	
# of Payments:	1		

Note: Funds for this payment will be withdrawn when the check clears your account.

OK ENTERED

For assistance, call BB&T OnLine Support at 1-888-BBT-ONLINE (1-888-228-6654).

CONFIDENTIAL LA 00001335

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017425

*** Slip Sheet ***

Document

1920 8TH STREET LLC

1024

Dottie Wade for School Board

10/29/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
10/29/2008	Bill	Contribution	200.00	200.00		200.00
					Check Amount	200.00

BB&T-Checking Acct#516 200.00

PRODUCT DLT104 USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0026

CONFIDENTIAL LA 00001336

LaKritz | Adler Development *Payment Approval Cover Sheet*

$200

Company Name: 1920 8th St LLC

Vendor Name:	Invoice No:
Dottie WADE	Invoice Date: 10-28-08
	InvoiceAmount:

Description of Purchase:

for School Board

Authorized Signature: Date Approved:

Special Instructions for Accounting:

G/L Description:	G/L#	G/L Am't

Finance Signature: Date Approved:

Date Entered A/P:

CONFIDENTIAL

LA 00001337

*** Slip Sheet ***

Document

Messages Help Security Logoff

OVERVIEW | ACCOUNTS | TRANSFERS | BILL PAYMENT | STATEMENTS | CUSTOMER SERVICE

Make Payment Payees Scheduled Payments Payment History

Make Payment

Payment Confirmation:

You have successfully scheduled your payment(s).

Payee Name:	Medal, Inc.	**Processing Date:**	10/02/2008
Payee Account #:	Rent & Subordintn Fee	**Delivery Date:**	10/09/2008
Amount:	$18,750.00		
Account to Debit:	1920 8th Street LLC / $10,782.17	**Reference Number:**	0000000583
Frequency:	Single Payment	**Memo:**	
# of Payments:	1	Note: Funds for this payment will be withdrawn when the check clears your account.	

OK

ENTERED

For assistance, call BB&T OnLine Support at 1-888-BBT-ONLINE (1-888-228-6654).

CONFIDENTIAL LA 00001338

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017430

LaKritz | Adler Development *Payment Approval Cover Sheet*

Company Name: 1920 8th St LLC

Vendor Name: Medal, Inc.	Invoice No: Oct 2008
	Invoice Date: 10-1-08
	InvoiceAmount: $18,750.-

Description of Purchase: Oct 2008 Ground Lease Payments:

Rent $12,500.-
Subordination Fee 6,250.-
18,750.-

Authorized Signature: Date Approved:

Special Instructions for Accounting:

G/L Description:	G/L#	G/L Am't

Finance Signature: Date Approved:

Date Entered A/P:

CONFIDENTIAL LA 00001339

*** Slip Sheet ***

Document

1920 8TH STREET LLC

1021

Reznick Group

09/23/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
07/10/2008	Bill	472846	350.00	350.00		350.00
					Check Amount	350.00

BB&T-Checking Acct#516 350.00

PRODUCT DLT104 USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0023

CONFIDENTIAL LA 00001340

1920 8th Street Venture LLC
4326 8th Street, N.W.
Washington, D.C. 20011

Invoice No.: 472846
Invoice Date: July 10, 2008
TERMS: Due Upon Receipt

1920 8th Street Venture LLC-Tax
Client No.: 00203055-5021 LI/LI

Re: **1920 8th Street Venture LLC-Tax**
Client No.: **00203055-5021**
Invoice No.: **472846**
Invoice Date: July 10, 2008

Cancelled per Lee Isaacson 9-16-08 Billing Error.

Prior Balance Due $ ~~1,000.00~~

Services rendered in connection with preparation of partnership federal and state income tax returns for the year ended December 31, 2007. 1,350.00 ok

Total Amount Due $ ~~2,350.00~~

ENTERED Less Pd w/ ck # 1017 (1,000.-)

$350.00

Please reference client number or invoice number on your remittance.

Reznick Group

Reznick Group, P.C.
7700 Old Georgetown Road
Suite 400
Bethesda, MD 20814-6224

Tel: (301) 652-9100
Fax: (301) 652-1848
www.reznickgroup.com

1920 8th Street Venture LLC
4326 8th Street, N.W.
Washington, D.C. 20011

Total Balance Due $ 2,350.00

Client Number: 00203055-5021 LI/LI
Statement Date: 7/14/08

Amount Enclosed: $_____

Please detach and return top portion with remittance

Copy requested 7-24-08 from Regina

Outstanding Invoices

Date	Invoice No.	Billed	Credits	Balance
4/22/2008	456856	1,000.00	0.00	1,000.00
7/10/2008	472846	1,350.00	0.00	1,350.00

? Dupe?

Total Outstanding Invoices $ 2,350.00

Total Balance Due $ 2,350.00

Aged Accounts Receivable

Current	Over 30	Over 60	Over 90	Over 120
$1,350.00	$0.00	$1,000.00	$0.00	$0.00

Please reference client number or invoice number on your remittance.

Invoices are due upon receipt. Amounts not paid within sixty days from the date of this invoice are subject to a monthly service charge of 1½% (18% annually).

*** Slip Sheet ***

Document

Messages Help Security Logoff

OVERVIEW | ACCOUNTS | TRANSFERS | BILL PAYMENT | STATEMENTS | CUSTOMER SERVICE

Make Payment | Payees | Scheduled Payments | Payment History

Make Payment

Payment Confirmation:

You have successfully scheduled your payment(s).

Payee Name:	Medal, Inc.	**Processing Date:**	08/29/2008
Payee Account #:	Lease Subordination	**Delivery Date:**	09/08/2008
Amount:	$6,250.00		
Account to Debit:	1920 8th Street LLC / $13,455.57	**Reference Number:**	0000000570
Frequency:	Single Payment	**Memo:**	
# of Payments:	1		

Note: Funds for this payment will be withdrawn when the check clears your account.

OK

ENTERED

For assistance, call BB&T OnLine Support at 1-888-BBT-ONLINE (1-888-228-6654).

CONFIDENTIAL LA 00001343

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017437

*** Slip Sheet ***

Document

1920 8TH STREET LLC

1020

DC Treasurer

09/08/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
09/01/2008	Bill	6281007080816	29,073.40	29,073.40		29,073.40
					Check Amount	29,073.40

BB&T-Checking Acct#516 Square 0393, Lot 0046 - 2nd Half 2008 RE Taxes 29,073.40

PRODUCT DLT104 USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0022

CONFIDENTIAL LA 00001344

WACHOVIA BANK, NA
Tivoli Square
Washington

PAYMENT FOR UTILITY
ACCT: sq0393 It0046
DC PROPERTY TAX
AMOUNT $29,073.40
09/12/08 00265 0039 # 361

Time: 12:59 PM

Calendar Date: 09/12/08
Deposit Effective Date: 09/12/08

Thank You For Your Business
Wachovia

CONFIDENTIAL LA 00001345

1920 8TH STREET LLC

1020

DC Treasurer

09/08/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
09/01/2008	Bill	6281007080816	29,073.40	29,073.40		29,073.40
					Check Amount	29,073.40

BB&T-Checking Acct#516 Square 0393, Lot 0046 - 2nd Half 2008 RE Taxes 29,073.40

CONFIDENTIAL LA 00001346

Notice Number: 6281007080816

Tax Year 2008 is October 1, 2007 thru September 30, 2008 Class 002

Square	Suffix	Lot	Property Address	Mrtg. No.	Assessment	Tax Rate/$100	Annual Tax
0393		0046	1916-1930 8TH ST	0	3,143,070	1.85	58,146.80

DESCRIPTION	TAX	PENALTY	INTEREST	PAYMENT	TOTAL
2008 Second Half	29,073.40				29,073.40
Total					29,073.40

ENTERED

Additional Information

. TO PAY YOUR TAX IN PERSON, YOU MUST PAY YOUR TAX BILL AT ANY WACHOVIA BANK IN WASHINGTON, DC.

. 32% OF YOUR TAX YEAR 2008 REAL PROPERTY TAX IS USED TO PAY THE GENERAL OBLIGATION BONDS DEBT SERVICE REQUIREMENT.

TAXPAYER'S RECORD

SEE REVERSE SIDE FOR IMPORTANT INFORMATION

FP-177 (REV. 12/04)

Payment Due By:	Sep 15, 2008	Amount Due:	29,073.40
Payment Due By:	Oct 15, 2008	Amount Due:	32,416.84
Payment Due By:	Nov 14, 2008	Amount Due:	32,852.94

CONFIDENTIAL

LA 00001347

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017442

FOIA CONFIDENTIAL TREATMENT REQUESTED

TAX BILL INFORMATION

Please detach and return the top portion of this tax bill with your payment in the enclosed envelope. Keep the lower part for your records.

PAYMENTS

You must pay your tax bill by March 31 (first half tax payment) or September 15 (second half tax payment) at any D.C. branch of WACHOVIA BANK or mail your payment to the GOVERNMENT OF THE DISTRICT OF COLUMBIA, OFFICE OF THE CHIEF FINANCIAL OFFICER, OFFICE OF TAX AND REVENUE, PO BOX 98095, WASHINGTON, DC 20090-8095. Please make your check or money order payable to the **D.C. Treasurer.** To ensure that your payment is recorded accurately, write your square, suffix and lot numbers on your check or money order. A $65 fine will be imposed if your bank dishonors your check.

If you have a balance due on your real property tax account, you may use our online **eCheck** system to pay your tax bill.
To use the Real Property Tax **eCheck** online payment system, visit our Web site at **www.taxpayerservicecenter.com**:

1. Click on **Real Property Service Center**;
2. Click on **Bill Payment (eCheck)**;
3. Click on **Real Property Assessment Database**;
4. Enter the Square, Suffix and Lot numbers of your property (always enter 4 digits in a field, *e.g.* for Square 555, Lot 1, enter "0555" in the "Square" field, nothing in the "Suffix" field, and "0001" in the "Lot" field);
5. Click on the blue-underlined Square, Suffix and Lot real property ID number of your property to retrieve your account information;
6. Click on **View Tax Information** (at the bottom of the page); and
7. Click on **Pay My Property Tax Online**.

PROTESTS

If you believe that your tax bill is incorrect, you may file a protest. First, verify that your property is in the proper tax class (*e.g.* Class 1 is occupied-residential) and that you are receiving the appropriate Homestead and Senior Citizen or Disabled Property Owner Tax Relief. Second, to avoid penalty and interest charges please pay the entire tax bill by the due date. In your protest, explain why you disagree with the tax bill. **MAIL YOUR PROTEST SEPARATELY TO: OFFICE OF TAX AND REVENUE, CUSTOMER SERVICE ADMINISTRATION,** 941 North Capitol Street, NE, Attn: RPTA, Washington, DC 20002. **DO NOT SEND YOUR PROTEST WITH YOUR TAX PAYMENT.**

TAXPAYER INFORMATION

For other service or tax bill questions, visit our Customer Service Center at 941 North Capitol Street, NE, First Floor, Monday-Friday 8:15 a.m. – 4:30 p.m. (except holidays), or call our Customer Service Call Center at (202) 727-4TAX (4829).

MORTGAGE COMPANY INFORMATION

If a mortgage company message is listed on the front of this tax bill, the mortgage company has requested your tax bill. If you did not ask your mortgage company to pay your tax bill, or if you are not completely sure that it will pay, contact your mortgage company. If you are paying the tax bill instead of your mortgage company, send the top portion of this tax bill with your payment. If you are paying more than one tax bill, please send the top portion of all tax bills being paid with your payment.

ADDRESS CHANGES

To change your mailing address for tax bills and real property tax notices, complete and submit a Change of Address form. Download the Change of Address form from our Web site at www.taxpayerservicecenter.com. Click on "Tax Forms/Publications," and then in the Real Property dialogue box click on "Change of Address." Please send the Change of Address form to: Office of Tax and Revenue, Attn: Maps and Titles Section, 941 North Capitol Street, NE, Washington, DC 20002, or fax it to: (202) 442-6796. **DO NOT WRITE ADDRESS CHANGES ON THE RETURN PORTION OF YOUR BILL.**

PENALTY AND INTEREST CHARGES

The law provides that if your real property tax is not paid in full by the due date on the tax bill, the Office of Tax and Revenue must charge a penalty equal to 10 percent of the delinquent tax and interest on the delinquent tax at a rate of 1.5% per month (or part thereof) until paid.

TAX SALES

Properties delinquent in the payment of a real property or BID tax, special or nuisance assessment, water bill or public space rental charge may be sold at tax sale.

FP.177.B Rev. 12/07

WMATA-INV 017443

*** Slip Sheet ***

Document

Reznick Group

Reznick Group, P.C.
7700 Old Georgetown Road
Suite 400
Bethesda, MD 20814-6224

Tel: (301) 652-9100
Fax: (301) 652-1848
www.reznickgroup.com

September 3, 2008

Department of the Treasury
Internal Revenue Service
Cincinnati, OH 45999-0039

Re: 1920 8th Street Venture LLC
Notice: CP162
Tax Form: 1065
Tax Period: 12/31/2007

Dear Sir:

In response to your notice dated August 25, 2008 (copy attached), please correct our client's tax return to show that there are no penalties due. Enclosed please find a copy of an extension that was filed on 4/15/08. Enclosed please find confirmation that the extension was filed on time via certified return receipt.

Additionally, Revenue Procedure 84-35 requires the following two criteria be met for the failure to file penalty under IRC Section 6698 not to apply, and also establishes reasonable cause for late filing:

1. The partnership is composed of ten or fewer partners, and
2. All partners have fully reported their share of income, deductions and credits of the partnership on their timely filed income tax returns.

Since 1920 8th Street Venture LLC satisfies each of the requirements under Rev. Proc. 84-35, we further request abatement of penalty as the partnership has established reasonable cause.

Therefore since the extension was filed on time and 1920 8th Street Venture LLC satisfies each of the requirements under Rev. Proc. 84-35, please abate the late filing penalty. Should you have any further questions kindly contact me at (301) 657-7750.

Sincerely,

Lee E. Isaacson, CPA
Principal

Enclosures

cc: Bradley M. Voight

ZU 06 200712 670 7823 17265-215-03309-8 A0004820 162
200833 044188 20011 IRS USE ONLY 26150433 SB M

Department of the Treasury
Internal Revenue Service
CINCINNATI, OH 45999-0039

For assistance, call:
1-800-829-0115

Notice Number: CP162
Date: August 25, 2008

Taxpayer Identification Number:
26-1504833
Tax Form: 1065
Tax Period: December 31, 2007

007412.480160.0038.001 2 NB 0.494 1022

1920 8TH STREET VENTURE LLC
ROBB M LAKRITZ MBR
4326 8TH ST NW
WASHINGTON DC 20011-7214264

007412

We charged a penalty under Internal Revenue Code Section 6698 (a) (1) because, according to our records, you filed your partnership return late. The penalty is $85 for each person who was a partner at any time during the tax year, for each month or part of a month the return was late, for up to 12 months.

Payment Due By:	September 15, 2008
Number of Partners:	2

Statement of Amount You Owe

Late Filing Penalty	$680.00
Total Penalty	$680.00
Total Amount You Owe	$680.00
Subtract Payments We Have Not Included	$_____ . __
Pay the Adjusted Amount Due	$_____

If our statement and your records agree, please pay the amount by the due date shown above. Make the check or money order payable to the United States Treasury. Please write your employer identification number on your payment and mail it with the stub portion of this notice.

If our statement does not agree with your records, the law lets us remove or reduce the penalties we explain in this notice, if you have an acceptable reason. If you believe you have an acceptable reason, you may send us a signed statement explaining your reason. We will review it and let you know if we accept your explanation as reasonable cause to remove or reduce the penalty.

If you have any questions, you may call or write us at the number and address at the top of this notice.

For tax forms, instructions and information visit www.irs.gov. (Access to this site will not provide you with your specific taxpayer account information.)

CONFIDENTIAL LA 00001350

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017446

Seq. No.: A0004820 CP: 162
TIN: 26-1504833 Form: 1065 Tax Period: December 31, 2007

907412

CUT HERE

Return this voucher with your payment or correspondence.

Your Telephone Number: ( )_____-_____

Best Time to Call: _____AM_____PM

Amount you owe: $680.00

- You will avoid additional penalties and/or interest if we receive your full payment by September 15, 2008

☐ **Amount enclosed: $_____**

- Make payable to United States Treasury
- Write Taxpayer Identification Number, tax period and tax form number on payment

☐ **Correspondence enclosed**

SB 200833 17265-215-03309-8

162 Internal Revenue Service
CINCINNATI, OH 45999-0039

1920 8TH STREET VENTURE LLC
ROBB M LAKRITZ MBR
4326 8TH ST NW
WASHINGTON DC 20011-7214264

261504833 ZU 1920 06 2 200712 670 00000068000

Form **7004** (Rev. December 2007) Department of the Treasury Internal Revenue Service

Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns

▶ File a separate application for each return.

OMB No. 1545-0233

Type or Print	Name	Identifying number
	1920 8th Street Venture LLC	26-1504833
File by the due date for the return for which an extension is requested. See instructions.	Number, street, and room or suite no. (If P.O. box, see instructions.) c/o Corporation Service Company 2711 Centerville Road, Suite 400	
	City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)). Wilmington, Delaware 19808	

Note. See instructions before completing this form.

1 Enter the form code for the return that this application is for (see below) 0 9

2 If the foreign corporation does not have an office or place of business in the United States, check here . . . . . ▶ ☐

3 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here . . . . . ▶ ☐

4 a The application is for calendar year 2007, or tax year beginning _____, 20____, and ending _____, 20____

b Short tax year. If this tax year is less than 12 months, check the reason:

☐ Initial return ☐ Final return ☐ Change in accounting period ☐ Consolidated return to be filed

5 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here ▶ . . . . . ☐

If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

6 Tentative total tax	6	
7 Total payments and credits (see instructions)	7	
8 Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions)	8	0

Application is For:	Form Code	Application is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND	19
Form 706-GS(T)	02	Form 1120-ND (section 4951 taxes)	20
Form 1041 (estate)	04	Form 1120-PC	21
Form 1041 (trust)	05	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120-S	25
Form 1065	09	Form 1120-SF	26
Form 1065-B	10	Form 3520-A	27
Form 1066	11	Form 8612	28
Form 1120	12	Form 8613	29
Form 1120-A (fiscal-year 2006-2007 corporations)	14	Form 8725	30
Form 1120-C	34	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33
Form 1120-H	17	Form 8924	35
Form 1120-L	18		

For Paperwork Reduction Act Notice, see instructions.

Form 7004 (Rev. 12-2007)

JSA
7X0916 2.000

The Reznick Group P.C.
7700 Old Georgetown Road 8400
Bethesda, MD 20814-6224
EIN 52-1088812

2007 FR-128 SUB Extension of Time
File DC Franchise or Partnership Return

Important: Leave lines blank that do not apply.

Extension of time to file

1. Total Tax Liability for the tax Period	1.	$	.00
2. Estimated Franchise Tax Payments (Include any overpayment credit)	2.	$	.00
3. Other payments	3.	$	.00
4. Total payments and credits (Add Lines 2 and 3)	4.	$	.00
5. Balance due (Line 1 minus Line 4). Enter the amount here and on the voucher below.	5.	$	.00

(Note: You will be subject to the failure-to-pay penalty and interest on any tax due and not paid with this request)

You must send payment in full with this form or your request will be denied.
Attach check or money order made payable to DC Treasurer. Include your FEIN or SSN, "2007 FR-128" on your payment.
Mail the bottom portion of this form with any payment to:

Office of Tax and Revenue
PO Box 7792
Washington DC 20044-7792

Detach at perforation before mailing

Government of the District of Columbia

2007 FR-128 SUB Extension of Time to File DC Franchise or Partnership Return

Federal Employer I.D. Number
26-150483

Social Security Number (if self-employed)

0 7 1 2 8 0 2 1 1 0 6 2
OFFICIAL USE ONLY

Business Name
1920 8TH ST VENTURE

Taxable year beginning MMYY
1231

Taxable year ending MMYY
2007

Business mailing address line #1
2711 CENTERVILLE RD STE 400

City
WILMINGTON

State
DE

Zipcode + 4
19808

Request for a 6-month extension of time to file until 15, 2008, for calendar year 2007, or until , for fiscal year ending , 200 is requested for the following return (check one):

D-20 Corporation Franchise Tax Return D-30 Unincorporated Business Franchise Tax Return D-65 Partnership Return of Income

Amount submitted with this form $ 0.00

2007 FR-128 SUB P1

Rev. 11/07 7Y1023 1.000

The Reznick Group P.C.
7700 Old Georgetown Road #400
Bethesda, MD 20814-6224
FIN #2-1088812

RETURN RECEIPT REQUESTED

7160 3901 9845 2756 3788

TO:

Internal Revenue Service
Departmnet of the Treasury
Cincinnati, OH 45999-0045
US

SENDER: 00099999.0400 : 001513

REFERENCE:

1065
7004
under
WM

PS Form 3800, January 2005

RETURN RECEIPT SERVICE		
	Postage	1.82
	Certified Fee	2.65
	Return Receipt Fee	2.15
	Restricted Delivery	0.00
	Total Postage & Fees	6.62

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided
Do Not Use for International Mail

POSTMARK OR DATE

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

2. Article Number

7160 3901 9845 2956 1918

3. Service Type CERTIFIED MAIL

4. Restricted Delivery? (Extra Fee) ☐ Yes

1. Article Addressed to:

Internal Revenue Service
Departmnet of the Treasury
Cincinnati, OH 45999-0045
US

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) INTERNAL REVENUE SERVICE

B. Date of Delivery

C. Signature RECEIVED

X APR 2 0 2008

☐ Agent
☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

SERVICE CENTER DIRECTOR
COVINGTON, KY
MAIL UNIT #19

CERT00011009

PS Form 3811, January 2005 Domestic Return Receipt

7001/1065 under item

LA 00001355

WMATA-INV 017451

ZU 06 200712 670 7823
200833 044488 20011 IRS USE ONLY 17265-215-03309-8 A0004820 162
261504833 SB M

Department of the Treasury
Internal Revenue Service
CINCINNATI, OH 45999-0039

For assistance, call:
1-800-829-0115

Notice Number: CP162
Date: August 25, 2008

Taxpayer Identification Number:
26-1504833
Tax Form: 1065
Tax Period: December 31, 2007

007412.480160.0038.001 2 MB 0.494 1022

1920 8TH STREET VENTURE LLC
ROBB M LAKRITZ MBR
4326 8TH ST NW
WASHINGTON DC 20011-7214264

007412

We charged a penalty under Internal Revenue Code Section 6698 (a) (1) because, according to our records, you filed your partnership return late. The penalty is $85 for each person who was a partner at any time during the tax year, for each month or part of a month the return was late, for up to 12 months.

Payment Due By:	September 15, 2008
Number of Partners:	2

Statement of Amount You Owe

Late Filing Penalty	$680.00
Total Penalty	$680.00
Total Amount You Owe	**$680.00**
Subtract Payments We Have Not Included	$_____
Pay the Adjusted Amount Due	$_____

If our statement and your records agree, please pay the amount by the due date shown above. Make the check or money order payable to the United States Treasury. Please write your employer identification number on your payment and mail it with the stub portion of this notice.

If our statement does not agree with your records, the law lets us remove or reduce the penalties we explain in this notice, if you have an acceptable reason. If you believe you have an acceptable reason, you may send us a signed statement explaining your reason. We will review it and let you know if we accept your explanation as reasonable cause to remove or reduce the penalty.

If you have any questions, you may call or write us at the number and address at the top of this notice.

For tax forms, instructions and information visit **www.irs.gov**. (Access to this site will not provide you with your specific taxpayer account information.)

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017452

Seq. No.: A0004820 CP: 162
TIN: 26-1504833 Form: 1065 Tax Period: December 31, 2007

007412

CUT HERE

Return this voucher with your payment or correspondence.

Your Telephone Number: ( )_____-_____

Best Time to Call: _____AM_____PM

Amount you owe: $680.00

- You will avoid additional penalties and/or interest if we receive your full payment by **September 15, 2008**

☐ **Amount enclosed: $_____**

- Make payable to United States Treasury
- Write Taxpayer Identification Number, tax period and tax form number on payment

☐ **Correspondence enclosed**

SB 200833 17265-215-03309-8

162 Internal Revenue Service
CINCINNATI, OH 45999-0039

1920 8TH STREET VENTURE LLC
ROBB M LAKRITZ MBR
4326 8TH ST NW
WASHINGTON DC 20011-7214264

261504833 ZU 1920 06 2 200712 670 00000068000

CONFIDENTIAL LA 00001357

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

(Please Print)

Place stamp here.
Post Office
will not deliver
mail without
proper postage.

LA 00001358

WMATA-INV 017454

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

For your protection and better service:

- Enter your taxpayer identifying number, form number and tax period on your check or money order.
- Ensure that the return address shows through the window.
- Do not staple, paper clip or tape check or money order to the notice.
- Do not send cash.

E-205 (Rev. 5-2001)
Cat. No. 22976H

LA 00001359

WMATA-INV 017455

Information About Your Notice, Penalty and Interest

Department of the Treasury
Internal Revenue Service

www.irs.gov

Notice 746 (Rev. 7-2008)
Catalog Number 63146F

The interest rates on underpayment and overpayment of taxes are as follows:

Periods	Percentage Rates	
	Underpayment	Overpayment
July 1, 1996 through March 31, 1998	9	8
April 1, 1998 through December 31, 1998	8	7
January 1, 1999 through March 31, 1999	7	7
April 1, 1999 through March 31, 2000	8	8
April 1, 2000 through March 31, 2001	9	9
April 1, 2001 through June 30, 2001	8	8
July 1, 2001 through December 31, 2001	7	7
January 1, 2002 through December 31, 2002	6	6
January 1, 2003 through September 30, 2003	5	5
October 1, 2003 through March 31, 2004	4	4
April 1, 2004 through June 30, 2004	5	5
July 1, 2004 through September 30, 2004	4	4
October 1, 2004 through March 31, 2005	5	5
April 1, 2005 through September 30, 2005	6	6
October 1, 2005 through June 30, 2006	7	7
July 1, 2006 through December 31, 2007	8	8
January 1, 2008 through March 31, 2008	7	7
April 1, 2008 through June 30, 2008	6	6
Beginning July 1, 2008	5	5

Beginning January 1, 1999, the interest rate we pay on any overpayment of taxes, except for corporate taxes, is the same as the rate of interest we charge on the underpayment of taxes. The law requires us to determine these interest rates quarterly. From January 1, 1987 through December 31, 1998, the interest rate we paid on an overpayment of taxes was one percent less than the rate of interest we charged on your underpayment of taxes. Effective January 1, 1995, we pay a reduced rate of interest on corporate overpayments that exceed $10,000. This reduced rate is the short-term federal interest rate, plus ½%.

We compound interest daily, except on late or underpaid estimated taxes for individuals or corporations.

We charge a special interest rate of 120 percent of the underpayment rate if:
- The return, not including extensions, was due before January 1, 1990,
- The underpayment was more than $1,000, and
- The underpayment came from a tax-motivated transaction.

We charge interest on penalties for filing late, paying late, over or understating valuations, and substantially understating the tax you owe. Also, we charge interest on fraud and negligence penalties if the tax returns, including extensions, are due after December 31, 1988.

We continue to charge interest until you pay the amount you owe in full. After December 31, 1990, the law allows us to charge interest at the underpayment rate plus two percent on large corporate underpayments of more than $100,000.

About Your Notice

You may call your local IRS telephone number if the number shown on your notice is a long-distance call for you.

All days mentioned in the paragraphs below are *calendar* days, unless *specifically* stated otherwise.

Removal of Penalties

Reasonable Cause. The law lets us remove or reduce the penalties we explain in this notice if you have an acceptable reason. If you believe you have an acceptable reason, you may send us a signed statement explaining your reason. We will review it and let you know if we accept your explanation as reasonable cause to remove or reduce your penalty. This procedure doesn't apply to interest and, in some cases, we may ask you to pay the tax in full before we reduce or remove the penalty for paying late.

Erroneous Written Advice from IRS

We will also remove your penalty if:
- you wrote to IRS and asked for advice on a specific issue,
- you gave IRS complete and accurate information,
- IRS wrote back to you and gave you a specific course of action to take or explained what actions not to take,
- you followed our written advice in the manner we outlined, and
- you were penalized for the written advice we gave you.

To have the penalty removed because of erroneous written advice from IRS you should.
- complete Form 843, *Claim for Refund and Request for Abatement*,
- request that IRS remove the penalty, and
- send Form 843 to the IRS Service Center where you filed your return for the year you relied on erroneous advice from the IRS.

The three documents you must attach to your Form 843 are:
- a copy of your original request for advice from IRS,
- a copy of the erroneous written advice from IRS, and
- a notice (if any) showing the penalty we charged that you now wish us to remove.

Deposit Penalties - IRC 6656

We may charge penalties if you do not make required deposits on time, make deposits for less than the required amount or if you do not use EFTPS when required. We will not charge penalties if you did not willfully neglect to make a proper and timely deposit and you have a reasonable cause. For amounts not properly or timely deposited, the penalty rates are:

2% — deposits made 1 to 5 days late,
5% — deposits made 6 to 15 days late,
10% — deposits made 16 days or more late, but on or before the 10th day after the date of the first notice we sent you asking for the tax you owe.
10% — deposits made to an unauthorized financial institution, or payments made directly to the IRS, or paid with your tax return.
10% — Amounts subject to electronic deposit requirements but not deposited using EFTPS
15% — Amounts still unpaid more than 10 days after the date of the first notice the IRS sent asking for the tax due or the day on which you receive notice and demand for immediate payment, whichever is earlier.

The law allows you to tell the IRS where to apply your deposits within the tax return period with a deposit penalty. You have 90 days from the date of the correspondence you received showing the deposit penalty to contact the IRS if you want to specify where to apply your deposits.

Also, the law allows the IRS to remove the deposit penalty if: (1) the penalty applies to the first required deposit after a required change to your frequency of deposits, and (2) you file your employment tax returns by the due date.

01 Filing and Paying Late - IRC 6651 — We charged a 5% combined penalty of 4-1/2% for filing late and 1/2% for paying late because, according to our records, you filed your return late and didn't pay your tax by the due date of your return. The combined penalty is 5% of your unpaid tax for each month or part of a month your return is late, but not for more than 25% (22-1/2% late filing and 2-1/2% late paying).

In addition to the maximum 22-1/2% late filing penalty for the first 5 months your return is late, we continue to charge the 1/2% (1/4% for months covered by an installment agreement) late paying penalty for each month or part of a month your tax is unpaid, but not for more than 25%.

If you didn't file your return within 60 days of the due date, the minimum penalty is $100 or 100% of the balance of tax due on your tax return, whichever is smaller. If you think we should remove or reduce this penalty, see *"Removal of Penalties — Reasonable Cause."*

02 **Underpayment or Late Payment of Estimated Tax - IRC 6654** — We charged you a penalty because, according to our records, you didn't estimate your tax and pay the correct amount of tax due

Individuals, Estates, and Certain Trusts — If you expect to owe tax of $1,000 or more for the tax year, you must prepay the tax by having tax withheld or by making estimated tax payments. We charge a penalty when the total tax you pay during the year doesn't meet the requirements of the law.

The law requires you to pay at least 90% of the tax shown on your return for the current year or 100% of the tax shown on your return for the prior year, whichever is less. Otherwise, you must make estimated tax payments each quarter, that is generally 25% of the total amount you expect to owe for the year

Estimated Tax Safe Harbor for Higher Income Individuals - IRC 6654(d) — For tax years after 1993, if your adjusted gross income in the preceding year is more than $150,000 ($75,000 if your filing status is married filing separately), the required payments are as follows:

- For 2003. Your required payment is the lesser of 90% of the tax shown on your current year return or 110% of the tax shown on your prior year return.
- For 2002 Your required payment is the lesser of 90% of the tax shown on your current year return or 112% of the tax shown on your prior year return.
- For 2001: Your required payment is the lesser of 90% of the tax shown on your current year return or 110% of the tax shown on your prior year return
- For 2000 Your required payment is the lesser of 90% of the tax shown on your current year return or 108 6% of the tax shown on your prior year return
- For 1999: Your required payment is the lesser of 90% of the tax shown on your current year return or 105% of the tax shown on your prior year return.
- For 1998: Your required payment is the lesser of 90% of the tax shown on your current year return or 100% of the tax shown on your prior year return.
- For 1994 through 1997: Your required payment is the lesser of 90% of the tax shown on your current year return or 110% of the tax shown on your prior year return

For more information on when the estimated tax penalty may be reduced or removed, see the instructions for Form 2210 for your tax year or Publication 505, *Tax Withholding and Estimated Tax.*

Corporations — We charge a penalty for not estimating your tax correctly when the corporation owes $500 or more in tax, and the total payments made on time are less than the required amount

For tax years beginning after December 31, 1993, the law requires corporations to pay their estimated tax in 4 quarterly payments (unless income is seasonal or the corporation used an annualized income method to estimate its tax) based on the lesser of 100% of either the tax shown on the current year tax return or the prior year tax return. Each installment must be at least 25% of the tax shown on the return.

The procedure for reasonable cause does not apply to corporate estimated tax penalties For more information on when the estimated tax penalty may be reduced or removed, see Form 2220 and its instructions for your tax year.

03 **Failure to Deposit - IRC 6656(b) — Federal Tax Deposits Insufficient/Late** — We charged a penalty because it appears that you didn't deposit the correct amounts of tax on time We used your Record of Tax Liability to determine where to apply your deposits. We applied your deposits in the date order we received them. We figured the penalty on any tax not deposited, deposited late, or not deposited in the correct amounts.

If you think we should remove or reduce this penalty, see *"Removal of Penalties — Reasonable Cause."* Also see Publication 15, *Circular E — Employer's Tax Guide* or Publication 51, *Circular A — Agricultural Employer's Tax Guide* for deposit requirements.

04 **Dishonored Check - IRC 6657** — We charged a penalty because your bank did not honor your check. For checks of $1,250 or more, the penalty is 2% of your check amount. For checks of less than $1,250, the penalty is the check amount or $25, whichever is less. If you think we should remove or reduce this penalty, see *"Removal of Penalties"* in this notice.

05 **Fraud - IRC 6663** — We charged you a penalty for fraud. The penalty is 75% of the tax you didn't pay due to fraud (50% of the tax you didn't pay due to fraud on returns required to be filed before January 1, 1987, not including extensions).

For tax you didn't pay due to fraud on returns required to be filed before January 1, 1989, the penalty includes an additional 50% of the interest charged on the part of your underpayment due to fraud. This additional interest charge is a penalty and you cannot deduct it from your federal taxes.

06 **Negligence Penalty - IRC 6653(a)** — We charged a penalty of 5% on your unpaid tax. For underpayments on returns due before January 1, 1989, not including extensions, we charged an additional 50% of the interest on the part of your underpayment due to negligence. This additional interest charge is a penalty and you cannot deduct it from your federal taxes.

07 **Paying Late - IRC 6651** — We charged a penalty because, according to our records, you didn't pay your tax on time. Initially, the penalty is 1/2% of the unpaid tax for each month or part of a month you didn't pay your tax. The penalty can't be applied at monthly rates totaling more than 25%.

Note: Effective for months beginning after December 31, 1999, the failure to pay tax penalty (FTP) for individuals who file a tax return on or before the due date (including extensions), is limited to half the usual rate (0.25% rather than 0.5%) for any month in which an Installment Payment Agreement is in effect.

If we issue a Notice of Intent to Levy and you don't pay the balance due within 10 days from the date of the notice, the penalty increases to 1% a month.

If you think we should remove or reduce this penalty, see *"Removal of Penalties — Reasonable Cause."*

08 **Missing Taxpayer Identifying Number (TIN) - IRC 6723** — We charge a penalty when you don't provide a social security number (SSN) for yourself, your dependent, or another person. We also charge a penalty when you don't provide your own SSN to another person, or if you don't include your employer identification number on an information return.

The penalty is $5 for each missing TIN the law requires on returns and statements due by December 31, 1989. The penalty is $50 for each missing TIN the law requires on returns and statements due after December 31, 1989.

For all missing TINs in any calendar year, the penalty can't be more than $100,000. If you think we should remove or reduce this penalty, see *"Removal of Penalties — Reasonable Cause."*

10 **Filing Late - IRC 6652(c) - Exempt Organizations and Certain Trusts.** We charged a penalty because, according to our records, you filed your return late. For Forms 990, 990EZ, and 990PF, the penalty is. (1) $20 a day for each day your return is late, if your gross annual receipts are equal to or less than $1 million The penalty may not be more than $10,000 or 5% of your gross annual receipts, whichever is less (2) $100 a day for each day your return is late, if your gross annual receipts exceed $1 million The penalty may not be more than $50,000. For all other forms, the penalty is $10 a day for each day your return is late. The penalty may not be more than $5,000. If you think we should remove or reduce this penalty, see *"Removal of Penalties — Reasonable Cause."*

11 **Failure to Deposit - IRC 6656 — Federal Tax Deposits Insufficient/Late and Incomplete Record of Federal Tax Liability** — We charged a penalty because it appears that you didn't deposit the correct amounts of tax on time.

Also, your Record of Federal Tax Liability was incomplete or illegible, or the liability amounts you reported didn't equal the net taxes for the tax period. Therefore, we averaged the total tax liability and distributed it equally throughout the tax period We applied your deposits to the averaged liabilities in the date order we received them. We figured the penalty on any tax not deposited, deposited late, or not deposited in the correct amounts.

If you believe we computed the penalty incorrectly, please send a complete breakdown of your tax liability on Form 4977 (for tax years before 1993), or Form 941 Schedule B (for tax years 1993 and later), Form 945-A, or Form 943-A. If you think we should remove or reduce this penalty, see *"Removal of Penalties — Reasonable Cause."* Also see Publication 15, *Circular E — Employer's Tax Guide* or Publication 51, *Circular A – Agricultural Employer's Tax Guide* for deposit requirements

12 **Incomplete Return - IRC 6652** — We charged a penalty because, according to our records, you didn't file a complete return. For Forms 990, 990EZ, and 990PF, the penalty is. (1) $20 a day for each day your return is incomplete, if your gross annual receipts are equal to or less than $1 million. The penalty may not be more than $10,000 or 5% of your gross annual receipts, whichever is less. (2) $100 a day for each day your return is incomplete, if your gross annual receipts exceed $1 million, but the penalty may not be more than $50,000. For all other forms, the penalty is $10 a day for each day your return is incomplete The penalty may not be more than $5,000 If you think we should remove or reduce this penalty, see *"Removal of Penalties — Reasonable Cause."*

14 **Fraud - IRC 6651(f) — Late Filing Penalty** — The law allows us to increase the penalty for filing late if you didn't file on time because of fraud The penalty is 15% of the amount of tax you should have reported on your tax return for each additional month or part of a month you didn't file your return The total penalty may not be more than 75% of the tax you didn't pay.

17 **Penalty Removed** — We removed the penalty we charged you and we are reviewing your account We will let you know the results

27 **Penalty on Tips - IRC 6652(b)** — We charged a penalty because, according to our records, you didn't report your tips to your employer. The penalty is 50% of the social security or railroad retirement tax on the tips you didn't report. If you think we should remove or reduce this penalty, see *"Removal of Penalties — Reasonable Cause."*

28 **Examining Officer's Report - IRC 6751(d)** — According to our records, your Examining Officer gave you a report that explained the reason for this penalty.

30 **Late Payment Penalty Removed** — We removed the late payment penalty we previously charged you.

31 **False W-4 Penalty - IRC 6682** — We charged a $500 penalty because it appears you made false statement(s) on your Form W-4. If you think we should remove or reduce this penalty, see *"Removal of Penalties — Reasonable Cause."*

32 **Partnership Late Filing - IRC 6698(a)(1)** — We charged a penalty because, according to our records, you filed your partnership return late The penalty is $85 for each person who was a partner at any time during the tax year, for each month or part of a month the return was filed late, for up to 12 months. If you think we should remove or reduce this penalty, see *"Removal of Penalties — Reasonable Cause."*

S Corporation Late Filing - IRC 6699(a)(1) - We charged a penalty because, according to our records, you filed your S corporation return late. The penalty is $85 for each person who was a shareholder at any time during the year, for each month or part of a month the return was filed late, for up to 12 months. If you think we should remove or reduce this penalty, see *"Removal of Penalties - Reasonable Cause"*

33-39 and 45-52 **Filing Incomplete Return — IRC 6698(a)(2)** — We charged a penalty because, according to our records, your partnership return was incomplete and you didn't give us the information we requested The penalty is $85 for each person who was a partner at any time during the tax year, for each month or part of a month, for up to 12 months If you think we should remove or reduce this penalty, see *"Removal of Penalties — Reasonable Cause"*

33, 34, 36 and 45-49 Filing Incomplete Return - IRC 6699(a)(2) - We charged a penalty because, according to our records, your S corporation was incomplete and you didn't give us the information we requested The penalty is $85 for each person who was a shareholder at any time during the year, for each month or part of a month the return was filed late, for up to 12 months If you think we should remove or reduce this penalty, see *"Removal of Penalties - Reasonable Cause."*

33 – Missing Schedules K-1
34 – Missing Schedule L (Balance Sheets)
35 – Missing Schedules K-1 TINs (5 or more)
36 – Missing Schedules K-1 and Schedule L (Balance Sheets)
37 – Missing Schedules K-1 and Schedule K-1 TINs
38 – Missing Schedule L (Balance Sheets) and Schedule K-1 TINs
39 – Missing Schedules K-1, Schedule K-1 TINs, and Schedule L (Balance Sheets)
45 – Missing Schedules K
46 – Missing Schedules K and Schedules K-1
47 – Missing Schedules K and Schedules L (Balance Sheets)
48 – Missing Schedules K and Schedules K-1 TINs (5 or more)
49 – Missing Schedules K, Schedules K-1, and Schedules L (Balance Sheets)
50 – Missing Schedules K, Schedules K-1, and Schedule K-1 TINs
51 – Missing Schedules K, Schedules L (Balance Sheets), and Schedule K-1 TINs
52 – Missing Schedules K, Schedules K-1, Schedules L (Balance Sheets), and Schedule K-1 TINs (5 or more)

40 **Accuracy-Related Penalty - IRC 6662** — For returns due after 12/31/89, we charge a 20% penalty on the amount of additional tax attributable to Negligence, Substantial Understatement, Substantial Valuation Misstatement, Substantial Overstatement of Pension Liabilities, or Substantial Estate or Gift Tax Valuation Understatement. The penalty is increased to 40% for a Gross Valuation Misstatement.

For returns due before 1/1/90, the applicable percentage rate varies with the specific penalty and the amount of the increased tax.

See the Revenue Agent Report for a detailed explanation of the penalty.

41 **Failure to Deposit - IRC 6656 - Taxes Paid Directly to IRS** — We charged a penalty because, according to our records, you paid your taxes to an unauthorized financial institution, directly to the IRS with your return, or you did not make your deposit(s) electronically as the law requires The penalty is 10% of each payment you didn't deposit properly.

There is a limit to the amount of tax you may pay with your return. See the list below

Form 941 series, Form 943, and Form 945 — You may pay taxes of less than $2,500 with your tax return.

Form 1042 — You may pay taxes of less than $200 with your tax return.

Form 720 — You may pay taxes of $2,000 or less with your tax return.

Form 940 — You may pay taxes of $100 or less with your tax return.

Form CT-1 — You may pay taxes of less than $2,500 with your tax return.

If you think we should remove or reduce this penalty, see *"Removal of Penalties — Reasonable Cause."* Also see Publication 15, *Circular E — Employer's Tax Guide* or Publication 51, *Circular A - Agricultural Employer's Tax Guide* for deposit requirements.

42 **Failure to Deposit - IRC 6656 — Insufficient or Late Deposits and Taxes Paid Directly to IRS** — We charged a penalty because according to our records:

- you didn't deposit the correct amounts of tax on time, and
- you made one or more of your deposits to an unauthorized financial institution, paid your tax directly to the IRS, paid the tax with your return, or you did not make your deposit(s) electronically as the law requires.

We applied your deposits and payments in the date order we received them. We used your Record of Federal Tax Liability to determine where to apply your deposits. We figured the penalty on any tax not deposited, deposited late, or not deposited in the correct amounts. For additional details see **Information on Failure to Deposit Penalty, Code 56.**

43 **Failure to Deposit - IRC 6656 — Taxes Paid Directly to IRS and Missing Information** — We charged a penalty because you paid taxes to an unauthorized financial institution, directly to the IRS, with your tax return, or you did not make your deposit(s) electronically as the law requires.

Also, your Record of Federal Tax Liability was incomplete or illegible, or the liability amounts you reported didn't equal the net taxes for the tax period. Therefore, we averaged the total tax liability and distributed it equally throughout the tax period

We applied your deposits and payments to the averaged liabilities in the date order we received your deposits. We figured the penalty on any tax not deposited, deposited late, or not deposited in the correct amounts.

If you believe we computed the penalty incorrectly, please send us a complete breakdown of your tax liability on Form 941 Schedule B, or Form 945-A or Form 943-A. For additional details see **Information on Failure to Deposit Penalty, Code 56.**

44 **Failure to Deposit - IRC 6656 — Insufficient Late Deposits and Taxes Paid Directly to IRS and Missing Information** — We charged a penalty because, according to our records:

- you didn't make your tax deposit on time or in the correct amounts,
- you made one or more of your deposits to an unauthorized financial institution, paid your tax directly to the IRS, paid the tax with your return, or you did not make your deposit(s) electronically as the law requires, and
- your Record of Federal Tax Liability was incomplete or illegible, or the liability amounts you reported didn't equal the net taxes for the tax period.

We averaged your total tax liability and distributed it equally throughout the tax period Then we applied your deposits and payments to the averaged liabilities in the date order we received your deposits We figured the penalty on any tax not deposited, deposited late, or not deposited in the correct amounts

If you believe we computed the penalty incorrectly, please send us a complete breakdown of your tax liability on Form 941 Schedule B, or Form 945-A or Form 943-A. For additional details see Information on Failure to Deposit Penalty, Code 56.

53 **Ten Percent Penalty for Internal Revenue Code (IRC) Section 444 Election - IRC 7519(f)** — We charged a penalty because we didn't receive the full amount of the "required payment" for your IRC Section 444 election on time The required payment is the value of the tax deferral you receive when you change your tax year under IRC Section 444.

The penalty is 10% of the part of the payment that you didn't pay on time.

If the required payment is more than $500 for any year you made an IRC Section 444 election, you must make a payment with Form 8752, Required Payment or Refund Under Section 7519, by May 15th of the following calendar year Reasonable Cause doesn't apply to this 10 percent penalty for tax years beginning on or before August 5, 1997. For tax years beginning after August 5, 1997, if you think we should remove or reduce this penalty, see *"Removal of Penalties — Reasonable Cause."*

54 **Failure to Deposit - IRC 6656 — Deposits Insufficient/Late and Incorrect Record of Federal Tax Liability** — We charged a penalty because it appears that you didn't deposit the correct amounts of tax on time Our records showed you as a semi-weekly depositor but your Form 941 Schedule B, Form 945-A, or Form 943-A didn't have enough information on it for us to determine if you made your deposits on time or in the correct amounts.

Therefore, we averaged the liability you reported and distributed it equally. We then applied your deposits in the date order we received them We figured the penalty on any tax not deposited, deposited late, or not deposited in the correct amounts.

If you believe we computed the penalty incorrectly, please complete Form 941 Schedule B, Form 945-A, or Form 943-A. If you think we should remove or reduce this penalty, see *"Removal of Penalties — Reasonable Cause"* For information on deposit requirements, see Publication 15, *Circular E — Employer's Tax Guide*, or Publication 51, *Circular A - Agricultural Employer's Tax Guide*

55 **Failure to Deposit - IRC 6656 — Missing or Incorrect Information and Taxes Paid Directly to IRS** — We charged a penalty because your Form 941 Schedule B, your Form 945-A, or your Form 943-A was incomplete and we couldn't determine if you made your deposits on time or in the correct amounts.

Therefore, we averaged the liability you reported, distributed it equally, and applied your deposits in the date order we received them We figured the penalty on any tax not deposited, deposited late, or not deposited in the correct amounts.

Also, it appears that you paid taxes to an unauthorized financial institution, directly to the IRS, with your tax return, or you did not make your deposit(s) electronically as the law requires.

If you believe we computed the penalty incorrectly, please complete Form 941 Schedule B, Form 945-A or Form 943-A. For additional details see **Information on Failure to Deposit Penalty, Code 56.**

56 **Failure to Deposit - IRC 6656 — Deposits Insufficient/Late, Taxes Paid Directly to IRS and Incorrect Record of Federal Tax Liability** — We charged a penalty because, according to our records

- you didn't make your tax deposit on time or in the correct amounts,
- you made one or more of your deposits to an unauthorized financial institution, paid your tax directly to the IRS, paid the tax with your return, or you did not make your deposit(s) electronically as the law requires, and your Record of Federal Tax Liability was incomplete or illegible, or the liability amounts you reported didn't equal the net taxes for the tax period.

We averaged your total tax liability, distributed it equally, and applied your deposits and payments to the averaged liabilities in the date order we received them We figured the penalty on any tax not deposited, deposited late, or not deposited in the correct amounts.

If you believe we computed the penalty incorrectly, please complete the enclosed Form 941 Schedule B, Form 945-A, or Form 943-A For additional details see **Information on Failure to Deposit Penalty** below.

Information on Failure to Deposit Penalty. There is a limit to the amount of tax you may pay with your return See the list below.

Form 941 series, Form 943, and Form 945 — You may pay tax of less than $2,500 with your tax return

Form 1042 — You may pay taxes of less than $200 with your tax return.

Form 720 — You may pay taxes of $2,000 or less with your tax return

Form 940 — You may pay taxes of $100 or less with your tax return

Form CT-1 — You may pay taxes of less than $2,500 with your tax return.

If you think we should remove or reduce this penalty, see "*Removal of Penalties — Reasonable Cause*" Also see Publication 15, *Circular E — Employer's Tax Guide*, or Publication 51, *Circular A — Agricultural Employer's Tax Guide*, for deposit requirements

57 **Failure to Deposit - IRC 6656 — Deposits Insufficient/Late and Incorrect Record of Federal Tax Liability** — We charged a penalty because, according to our records, you didn't deposit your tax using the one-day deposit rule for liabilities $100,000 or more during a deposit period.

Also, the Record of Federal Tax Liability on your return was incomplete and we couldn't determine if you made your deposits on time or in the correct amounts Therefore, we averaged the liability you reported and distributed it equally

Since your average amount of monthly liability was $100,000 or more, we placed the liability on the first day of your applicable semi-weekly period. We applied your deposits in the date order we received them We figured the penalty on any tax not deposited, deposited late, or not deposited in the correct amounts.

For deposits due after December 31, 1989, see Code 54

58 **Failure to Deposit - IRC 6656 — Deposits Insufficient/Late and Incorrect Record of Federal Tax Liability** — We charged a penalty because, according to our records, you didn't deposit your tax using the one-day deposit rule for liabilities $100,000 or more during a deposit period.

Also, your Form 941 Schedule B, Form 945-A or Form 943-A was incomplete and we couldn't determine if you made your deposits on time or in the correct amounts. Therefore, we averaged the liability you reported and distributed it equally.

Since your average amount of liability was $100,000 or more, we placed the liability on the first day of the applicable semi-weekly period (eighth-monthly period for tax years ending on or before December 31, 1992). We applied your deposits in the date order we received them. We figured the penalty on any tax not deposited, deposited late, or not deposited in the correct amounts

For deposits due after December 31, 1989, see Code 54.

Interest - IRC 6601

09 **Interest** — We charged interest because, according to our records, you didn't pay your tax on time. We figured interest from the due date of your return (regardless of extensions) to the date we receive your full payments or the date of your notice

Corporate interest — We charged additional interest of 2% because, according to our records, you didn't make your corporate tax payment within 30 days after the IRS notified you of the underpayment of tax. This interest begins on the 31st day after we notify you of the underpayment on tax amounts you owe over $100,000, minus your timely payments and credits.

19 **Additional Interest Charges** — If the amount you owe is $100,000 or more, please make sure that we receive your payment within *10 work* days from the date of your notice. If the amount you owe is less than $100,000, please make sure that we receive your payment within *21 calendar* days from the date of your notice. If we don't receive full payment within these time frames, the law requires us to charge interest until you pay the full amount you owe

Interest Paid
Beginning with tax year 1991, you can no longer deduct interest you paid to the United States Treasury as an itemized deduction on your Form 1040, Schedule A.

Interest Reduced
If we reduce interest that you previously reported as a deduction on your tax return, you must report this reduction of interest as income on your tax return for the year we reduce it.

Interest Removed-Erroneous Refund
The law requires us to remove interest up to the date we request you to repay the erroneous refund when.
- you didn't cause the erroneous refund in any way, and
- the refund doesn't exceed $50,000.

The IRS may remove or reduce interest on other erroneous refunds based on the facts and circumstances involved in each case.

Annual Interest Netting
— Effective January 1, 1987 through December 31, 1998, the interest rate we paid on any overpayment of taxes was 1% less than the interest rate we charged on the underpayment of taxes. As of January 1, 1999, the overpayment and underpayment rates of interest that we pay and charge are the same, except for corporate overpayments. If we refund an overpayment with interest and we have to increase the tax at a later date, we give special consideration to the interest on that account.

On the tax increase made after the refund, we will charge the lower refund rate of interest (up to the amount of the refund) for the same time period that we paid interest on the overpayment.

Request for Net Interest Rate of Zero - IRC 6621(d) General Rule — If you owe interest to the IRS on an underpayment for the same period of time that the IRS owes you interest on an overpayment, you may be entitled to receive a net interest rate of zero (the same rate of interest applies to your underpayment as your overpayment).

To receive the net interest rate of zero for interest you owed (or paid) the IRS, or interest that we owed (or paid) you before October 1, 1998, you must file a Form 843, Claim for Refund and Request for Abatement. For more information on the filing requirements for the Form 843, see Revenue Procedure 99-43, 1999-47 I.R.B. 579. Revenue Procedure 99-43 and Form 843 are available at www.irs gov.

To qualify for the net interest rate of zero, the period of limitation for claiming a refund of interest on an underpayment and the period of limitation for claiming additional interest on an overpayment must have been open on July 22, 1998. Generally, the period of limitation for claiming a refund of interest on an underpayment is 3 years from the time you filed your tax return, or 2 years from the time you paid the interest, whichever is later. The period of limitation to request additional interest on an overpayment is 6 years from the date of the refund.

You must file Form 843 on or before the closing date of the later statute of limitation period. Mail Form 843 to

U.S. Mail:
Internal Revenue Service
Net Rate Interest Netting Claim
P.O. Box 9987
Mail Stop 6800
Ogden, UT 84409

Other than U.S. mail:
Internal Revenue Service
Net Rate Interest Netting Claim
1160 West 1200 South
Mail Stop 6800
Ogden, UT 84201

If your request for interest netting involves solely interest that you owed the IRS or that the IRS owed you on or after October 1, 1998, send Form 843 to the Internal Revenue Service Center where you filed your most recent federal income tax return For more information on these Form 843 filing requirements, see Revenue Procedure 2000-26, 2000-24 I R.B 1 Revenue Procedure 2000-26 is available at *www.irs.gov.*

Status of Your Account

22 **Balance Less than $1** — If the amount you owe is less than $1, you do not have to pay it

23 **Refund Less than $1** — If your refund is less than $1, we will send it to you only if you ask for it.

24 **Refund** — We will refund your overpayment (plus interest when applicable), if you owe no other taxes or have no other debts the law requires us to collect.

25 This notice is not the result of an examination of your return. We notify a taxpayer when we select his/her return for examination

Action Required on Balance Due Accounts

16 **Payment** — Please make your check or money order payable to the United States Treasury Write on your payment your social security number or employer identification number, the tax period and tax form. Mail your payment with the bottom part of your notice in the enclosed envelope or to the address on the front of your notice.

Notice about Partial Payments — Generally, we apply your payment first to tax, then to penalty, and finally to the interest you owe.

Additional Tax Concerns

Backup Withholding
If you received interest, dividends or patronage dividend income, but you didn't report the income on your tax return and you didn't pay the tax due on your tax return, you could be subject to a special income tax withholding called *Backup Withholding* The IRS may request each payer of that income to begin withholding at a rate of 28% if, after we send you four notices over 120 days, a balance remains due on your account.

Federal/State Exchange Program
The Internal Revenue Service has agreements with state and certain local tax agencies to exchange information about federal tax, including increases or decreases. If this change affects the amount of your state or local income taxes, you should file the required state or local form to report the change.

GPO U.S. GOVERNMENT PRINTING OFFICE: 2008— 747-227

*** Slip Sheet ***

Document

Messages Help Security Logoff

OVERVIEW | ACCOUNTS | TRANSFERS | BILL PAYMENT | STATEMENTS | CUSTOMER SERVICE

Make Payment Payees Scheduled Payments Payment History

Make Payment

Payment Confirmation:

You have successfully scheduled your payment(s).

Payee Name:	Medal, Inc.	**Processing Date:**	08/01/2008
Payee Account #:	Lease Subordination	**Delivery Date:**	08/08/2008
Amount:	$6,250.00		
Account to Debit:	1920 8th Street LLC / $3,637.87	**Reference Number:**	0000000560
Frequency:	Single Payment	**Memo:**	
# of Payments:	1		

Note: Funds for this payment will be withdrawn when the check clears your account.

OK

ENTERED

For assistance, call BB&T OnLine Support at 1-888-BBT-ONLINE (1-888-228-6654).

CONFIDENTIAL LA 00001364

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017461

*** Slip Sheet ***

Document

Cancel +/Reissue
when credit is issued
for svc. cancellation.

1018

1920 8TH STREET LLC
4326 8th Street NW
Washington, DC 20011

BB&T
BRANCH BANKING AND TRUST COMPANY
DISTRICT OF COLUMBIA

15-154-540

08/08/2008

VOID

PAY TO THE ORDER OF Corporation Service Company $ **800.00

Eight Hundred and 00/100********** DOLLARS

Corporation Service Company
PO Box 13397
Philadelphia, PA 19101-3397

MEMO

AUTHORIZED SIGNATURE

Security features. Details on back.

⑈0000 1018⑈ ⑆054001547⑆000516277 8635⑈

1920 8TH STREET LLC 1018

Corporation Service Company 08/08/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
06/14/2008	Bill	71742077	800.00	800.00		800.00
					Check Amount	800.00

BB&T-Checking Acct#516 800.00

1920 8TH STREET LLC 1018

Corporation Service Company 08/08/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
06/14/2008	Bill	71742077	800.00	800.00		800.00
					Check Amount	800.00

BB&T-Checking Acct#516 800.00

PRODUCT DLT104 USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A
0020

CONFIDENTIAL LA 00001366

ENDORSE HERE

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE ★

RS-52

The security features listed below, as well as those not listed, exceed industry guidelines.

Security Features:	Results of document alteration:
MicroPrint Line	Small type in line appears as dotted line when photocopied
Chemically Sensitive Paper	Stains or spots may appear with chemical attempt
Security Screen	Absence of Original Document verbiage on back of check

Reproduction is a certified copy of the Chem Payment Systems Association

★ FEDERAL RESERVE BOARD OF GOVERNORS REG. CC

LA 00001367

CONFIDENTIAL

WMATA-INV 017465

FOIA CONFIDENTIAL TREATMENT REQUESTED

*** Slip Sheet ***

Document

1920 8TH STREET LLC

1017

Reznick Group

07/17/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
04/22/2008	Bill	456856	1,000.00	1,000.00		1,000.00
					Check Amount	1,000.00

BB&T-Checking Acct#516 1,000.00

PRODUCT DLT10-I USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0019

CONFIDENTIAL LA 00001368

Reznick Group

Reznick Group, P.C.
7700 Old Georgetown Road
Suite 400
Bethesda, MD 20814-6224

Tel: (301) 652-9100
Fax: (301) 652-1848
www.reznickgroup.com

1920 8th Street Venture LLC
4326 8th Street NW
Washington, DC 20011

Invoice No.: 456856
Invoice Date: April 22, 2008

1920 8th Street Venture LLC-Tax
Client No.: 00203055-5021 LI/LI

Amount Enclosed: $_____

Please detach and return top portion with remittance

Re: **1920 8th Street Venture LLC-Tax**
Client No.: **00203055-5021**
Invoice No.: **456856**

Invoice Date: April 22, 2008

Services rendered in connection with preparation of partnership federal and state income tax returns for the year ended December 31, 2007.

Total Amount Due $ 1,000.00

ENTERED

Please reference client number or invoice number on your remittance.

Invoices are due upon receipt. Amounts not paid within sixty days from the date of this invoice are subject to a monthly service charge of 1½% (18% annually).

*** Slip Sheet ***

Document

1920 8TH STREET LLC

1016

LaKritz Adler Investments LLC.

07/17/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
07/01/2008	Bill	199	14.30	14.30		14.30
					Check Amount	14.30

BB&T-Checking Acct#516 14.30

PRODUCT DLT104 USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0018

CONFIDENTIAL LA 00001370

LaKritz Adler Investments LLC

4326 8th Street NW
Washington, DC 2011

Invoice

Date	Invoice #
07/01/2008	199

Bill To
1920 8th Street LLC 4326 8th Street NW Washington, DC 20011

Description	Amount
Property/Liability Insurance for 1916-1930 8th St NW, Wash, DC, 7/1/08 to 7/1/09	14.30
Total	$14.30

ENTERED

CONFIDENTIAL

LA 00001371

*** Slip Sheet ***

Document

1920 8TH STREET LLC

1014

Corporation Service Company

07/17/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
06/14/2008	Bill	71715691	78.74	78.74		78.74
06/14/2008	Bill	71715687	78.74	78.74		78.74
07/14/2008	Bill	51185410	46.12	46.12		46.12
07/14/2008	Bill	51185414	46.12	46.12		46.12
					Check Amount	249.72

BB&T-Checking Acct#516 249.72

PRODUCT DLT104 USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0016

CONFIDENTIAL LA 00001372

FOIA CONFIDENTIAL TREATMENT REQUESTED

CSC.

CORPORATION SERVICE COMPANY®

Invoice No.	51185410
Invoice Date	07/14/08
Amount Due	46.12
Page	1
	SLR

Re: 1920 8TH STREET VENTURE LLC
Account No. 7594991

Billing Address
BRAD VOIGHT
LAKRITZ ADLER INVESTMENTS LLC
4326 8TH STREET, N.W.
WASHINGTON DC 20011

Shipping Address
SAME

Matter No. 3646 **Order No.** 623488 002 **Order Date** 06/24/08

Description of Services		Amount
	PROJECT ID: Not Provided	
	Additional Ref: NOT PROVIDED	
DEDR00	DOCUMENT RETRIEVAL WORK IN DELAWARE	.00
DE2SF	STATE/DOCUMENT FEE	30.00
DE221	SERVICE FEE - CERTIFICATE OF STATUS	52.00
DEDRDT	SPECIAL ARRANGEMENT DISCOUNT	35.88-
	TOTAL AMOUNT	46.12

ENTERED

THANK YOU FOR USING CSC - Wilmington - SONYA L. CORDELL - 800-927-9800

THANK YOU for your business

TERMS: NET 30 DAYS - Invoices not paid within 30 days are subject to a 1.5% per month finance charge. CSC extends credit to the party requesting service whom it holds responsible for payment in full for all monies expended and services rendered.

CSC E.I.D. No: 510009810

Please return this portion with your payment

CONFIDENTIAL

LA 00001373

WMATA-INV 017474

FOIA CONFIDENTIAL TREATMENT REQUESTED

CORPORATION SERVICE COMPANY

Invoice No.	51185414
Invoice Date	07/14/08
Amount Due	46.12
Page	1
	SLR

Re: 1920 8TH STREET LLC
Account No. 7594991

Billing Address
BRAD VOIGHT
LAKRITZ ADLER INVESTMENTS LLC
4326 8TH STREET, N.W.
WASHINGTON DC 20011

Shipping Address
SAME

Matter No. 3646 Order No. 623488 003 Order Date 06/24/08

Description of Services		Amount
	PROJECT ID: Not Provided	
	Additional Ref: NOT PROVIDED	
DEDR00	DOCUMENT RETRIEVAL WORK IN DELAWARE	.00
DE2SF	STATE/DOCUMENT FEE	30.00
DE221	SERVICE FEE - CERTIFICATE OF STATUS	52.00
DEDRDT	SPECIAL ARRANGEMENT DISCOUNT	35.88-
	TOTAL AMOUNT	46.12

ENTERED

THANK YOU FOR USING CSC - Wilmington - SONYA L. CORDELL - 800-927-9800

THANK YOU for your business

TERMS: NET 30 DAYS - Invoices not paid within 30 days are subject to a 1.5% per month finance charge. CSC extends credit to the party requesting service whom it holds responsible for payment in full for all monies expended and services rendered.

CSC E.I.D. No: 510009810

Please return this portion with your payment.

CONFIDENTIAL

LA 00001374

WMATA-INV 017475

FOIA CONFIDENTIAL TREATMENT REQUESTED

Account No.: 4327719 **Company ID:** 2626934	**Group No.:** **Reference No.:** 100191-10	**Period Ending:** 7/31/2009 **Terms:** Net 30 Days

1920 8TH STREET LLC

			AMOUNT
STATUTORY REPRESENTATION			
Delaware		1@254.00	254.00
Discount	69%		(175.26)
		Total Due	$78.74

ENTERED

Statutory Representation Services: You are in good company - more Fortune 500® companies are switching to CSC than ever before! CSC provides statutory service for your company of an agent/office in those states where you conduct business. This agent/office provides a documented location for the purpose of receiving legal process and official communication from the state or other governing bodies. As your registered agent, CSC is in a unique position to offer comprehensive and integrated suites of services, such as RecordsCenter℠ for entity management, name management services for intellectual property protection, and electronic litigation and matter management. Call 800-927-9800 or go to www.incspot.com for more information.

CSC.
CORPORATION SERVICE COMPANY®

Notice: See reverse side for important information.

CONFIDENTIAL

LA 00001375

WMATA-INV 017476

FOIA CONFIDENTIAL TREATMENT REQUESTED

Billing Rights Summary:
In case of errors or questions about your bill or you need more information about a transaction, please contact our Billing Department at (302) 636-5450, fax: (302) 636-5454, or write us at:

Corporation Service Company
2711 Centerville Rd, Suite 400
Wilmington, DE 19808
Attn: Billing Dept.

email: repbilling1@cscinfo.com

CSC General:
CSC currently provides from a broad range of corporate services available to your organization, including statutory representation, corporate legal services, compliance and governance, litigation management, domain name management, trust and special purpose entity services. The maintenance of such service may be required by law or by some other authority affecting your organization.

Payment Options:

*** Check or Money Order**
Make check or money order payable to Corporation Service Company and mail with remittance advice to:

Corporation Service Company
P.O. Box 13397
Philadelphia, PA 19101-3397

***Credit Card**
Corporation Service Company accepts Visa, Master Card, American Express and Discover credit cards for your payment convenience. Please complete the credit card payment information located on the invoice remittance stub and mail it to the address listed above.

***ACH Payments**
Corporation Service Company accepts ACH payments. Please contact Corporation Service Company at the above number to arrange for ACH payments.

***Wire Transfer**

For Domestic (within US) use:

PNC Bank	
Acct #:	5603260058
ABA #:	031100089
Address:	222 Delaware Ave, 18th Floor Wilmington, DE 19801

For International use:

PNC Bank	
Acct #:	5603260058
ABA #:	031100089
Swift code:	PNCC US 33
Address:	222 Delaware Ave, 18th Floor Wilmington, DE 19801

Form: CSCREMITINV2.5

WMATA-INV 017477

FOIA CONFIDENTIAL TREATMENT REQUESTED

Account No.: 4327719	**Group No.:**	**Period Ending:** 7/31/2009
Company ID: 2626936	**Reference No.:** 100191-10	**Terms:** Net 30 Days

1920 8TH STREET VENTURE LLC

				AMOUNT
STATUTORY REPRESENTATION				
Delaware		1@254.00		254.00
Discount	69%			(175.26)
			Total Due	$78.74

ENTERED

Statutory Representation Services: You are in good company - more Fortune 500® companies are switching to CSC than ever before! CSC provides statutory service for your company of an agent/office in those states where you conduct business. This agent/office provides a documented location for the purpose of receiving legal process and official communication from the state or other governing bodies. As your registered agent, CSC is in a unique position to offer comprehensive and integrated suites of services, such as RecordsCenter℠ for entity management, name management services for intellectual property protection, and electronic litigation and matter management. Call 800-927-9800 or go to www.incspot.com for more information.

CSC
CORPORATION SERVICE COMPANY®

Notice: See reverse side for important information.

CONFIDENTIAL

LA 00001377

WMATA-INV 017478

FOIA CONFIDENTIAL TREATMENT REQUESTED

Billing Rights Summary:
In case of errors or questions about your bill or you need more information about a transaction, please contact our Billing Department at (302) 636-5450, fax: (302) 636-5454, or write us at:

Corporation Service Company
2711 Centerville Rd, Suite 400
Wilmington, DE 19808
Attn: Billing Dept.

email: repbilling1@cscinfo.com

CSC General:
CSC currently provides from a broad range of corporate services available to your organization, including statutory representation, corporate legal services, compliance and governance, litigation management, domain name management, trust and special purpose entity services. The maintenance of such service may be required by law or by some other authority affecting your organization.

Payment Options:

*** Check or Money Order**
Make check or money order payable to Corporation Service Company and mail with remittance advice to:

Corporation Service Company
P.O. Box 13397
Philadelphia, PA 19101-3397

***Credit Card**
Corporation Service Company accepts Visa, Master Card, American Express and Discover credit cards for your payment convenience. Please complete the credit card payment information located on the invoice remittance stub and mail it to the address listed above.

***ACH Payments**
Corporation Service Company accepts ACH payments. Please contact Corporation Service Company at the above number to arrange for ACH payments.

***Wire Transfer**

For Domestic (within US) use:

PNC Bank	
Acct #:	5603260058
ABA #:	031100089
Address:	222 Delaware Ave, 18th Floor Wilmington, DE 19801

For International use:

PNC Bank	
Acct #:	5603260058
ABA #:	031100089
Swift code:	PNCC US 33
Address:	222 Delaware Ave, 18th Floor Wilmington, DE 19801

Form: CSCREMITINV2.5

WMATA-INV 017479

*** Slip Sheet ***

Document

Messages Help Security Logoff

OVERVIEW | ACCOUNTS | TRANSFERS | BILL PAYMENT | STATEMENTS | CUSTOMER SERVICE

Make Payment Payees Pending Payments Payment History

Make Payment

Payment Confirmation:

You have successfully scheduled your payment(s).

Payee Name:	Medal, Inc.	**Processing Date:**	07/02/2008
Payee Account #:	Lease Subordination	**Delivery Date:**	07/10/2008
Amount:	$6,250.00		
Account to Debit:	1920 8th Street LLC / $11,992.09	**Reference Number:**	0000000549
Frequency:	Single Payment	**Memo:**	
# of Payments:	1		

Note: Funds for this payment will be withdrawn when the check clears your account.

OK

ENTERED

For assistance, call BB&T OnLine Support at 1-888-BBT-ONLINE (1-888-228-6654).

CONFIDENTIAL LA 00001379

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017481

*** Slip Sheet ***

Document

1920 8TH STREET LLC

1013

DC Treasurer

06/24/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
06/24/2008	Bill	1920 8th St LLC	200.00	200.00		200.00
					Check Amount	200.00

BB&T-Checking Acct#516 Appl for Cert of Registration for Foreign LLC - 1920 8th S 200.00

PRODUCT DLT104 USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0015

CONFIDENTIAL LA 00001380

[redacted] OF THE
[redacted] DISTRICT OF COLUMBIA

BRA 29 (REV 09/02)

Billing Voucher

Business and Professional License Administration
Corporation Division
941 North Capitol St. N.E.
Washington, D.C. 20002

D.C. TREASURER

Charge To:
1920 8TH STREET LLC

Office Use Only

Charge For: **LLC - REGISTRATION**

QTY:			
			3222
1	$	200.00	
1	$		
1	$		
1	$		
	$	200.00	Total

Date 7/1/2008

PAY THIS AMOUNT PAYABLE TO THE D.C. TREASURER

CONFIDENTIAL

LA 00001381

DCRA

DEPARTMENT OF CONSUMER & REGULATORY AFFAIRS

District of Columbia Government

Corporations Division
PO Box 92300
Washington DC 20090

Application for Certificate of Registration for Foreign Limited Liability Company

Use this form to register your foreign Limited Liability Company (LLC).

ENTITY TYPE	FILING FEE
Foreign Limited Liability Company	$200, payable to DC Treasury

Under the provisions of the Limited Liability Company Act, DC Official Code Title 29 Chapter 10, the company listed below hereby applies for a Certificate of Registration to transact business in the District of Columbia, and for that purpose submits the statement below.

1. Entity Name 1920 8TH STREET LLC	2. Company Designation elected in the District of Columbia. (Add LLC or PLLC if this designation is not required by the state of organization.)
3. Organized under the laws of which state or country DELAWARE	4. Date of Organization 8/06/2007
5. Term of Existence PERPETUAL	6. Date company started or will start transacting business in the District of Columbia. (If you started business before you registered, you must file a 2-year report and pay applicable fees.) 8/06/2007
7. Address of the company in the state where it is organized. (If the principal address is outside the state of organization, give the RA in the state of organization.) % CORPORATION SERVICE COMPANY 2711 CENTERVILLE ROAD SUITE 400 WILMINGTON DE 19808	8. Registered Agent's name and address of registered office in District of Columbia. (Attach Form RA-1 for RA's consent to this application.) ROBB M. LAKRITZ 4326 8TH ST NW WASH. DC 20011

9. Briefly describe the proposed activity company will transact in the District of Columbia. (General purposes are acceptable in combination with specific purposes.)

REAL ESTATE INVESTMENT

10. List all managers and members of the Limited Liability Company

TITLE	NAME	ADDRESS
MNG. MEMBER	1920 8TH STREET VENTURE LLC	4326 8TH ST NW, WASH, DC 20011
	ROBB M. LAKRITZ, MANAGING MEMBER	
	JOSHUA A. ABLER, MANAGING MEMBER	

11. It is authorized to pursue such purpose in the state or country under the laws of which it is organized.

12 Attach an original Certificate of Good Standing (Certificate of Existence) from Registration Authority in the State/Country of Incorporation that is not over 30 days old. (Certificate of good standing from Tax or Licensing Authority will not be sufficient.)

If you sign this application, you agree that you understand that anyone who makes a false statement anywhere on it can be punished by criminal penalties of a fine up to $1000, imprisonment up to 180 days, or both, under DCOC § 22-2405.

13. Select Company Representative executing this form ☐ Manager ☒ Member ☐ Authorized Person	14. Signature ROBB M. LAKRITZ

Mail all forms and required payment to: Department of Consumer and Regulatory Affairs Corporations Division PO Box 92300 Washington, DC 20090 Phone: (202) 442-4432	For overnight delivery send to: Corporate Bank of America Attention: DC Government Wholesale Lockbox #92300 Mail Code MD4-301-18-04 225 North Calvert Street - 18th floor Baltimore, Maryland 21202

Please check dcra.dc.gov to view organizations required to register, to search business names, to get step-by-step guidelines to register an organization, to search registered organizations, and to download forms and documents. Just click on "Corporate Registrations."

DCRA

DEPARTMENT OF CONSUMER & REGULATORY AFFAIRS

District of Columbia Government

Corporations Division
PO Box 92300
Washington DC 20090

RA-1. Registered Agent Written Consent

Use this form to appoint a Registered Agent for an entity. Choose Option A or B, but not both. There is no filing fee for this form.
Under DC Official Code (DCOC) Titles 29 and 41, a Registered Agent (RA) must be:

- A bona fide resident of the District of Columbia (District), or
- A for-profit corporation, authorized by articles of incorporation or certificate of authority to act as agent.

Limited Liability Corporations (LLCs) and Limited Liability Partnerships (LLPs) may not act as RAs. Entities may not act as their own RAs.

A. By a District Of Columbia resident: I, a bona fide District resident, consent to act as a RA for the entity below.

Name of Resident	Address of Resident
ROBB M. LAKRITZ	4326 8TH ST NW WASHINGTON DC 20011
Entity Name	**Signature**
1920 8TH STREET LLC	

B. By a legally authorized corporation: The authorized corporate Registered Agent in the District, by the signatures of its President/Vice-President and Secretary/Assistant Secretary, agrees to act as RA for the entity below.

Name of Corporation	Address
Entity Name	
President or Vice-President	**Signature**
Secretary or Assistant Secretary	**Signature**

If you sign this form, you agree that you understand that anyone who makes a false statement anywhere on it can be punished by criminal penalties of a fine up to $1000, imprisonment up to 180 days, or both, under DCOC § 22-2405.

Mail all forms and required payment to:	For overnight delivery send to:
Department of Consumer and Regulatory Affairs Corporations Division PO Box 92300 Washington, DC 20090 Phone: (202) 442-4432	Corporate Bank of America Attention: DC Government Wholesale Lockbox #92300 Mail Code MD4-301-18-04 225 North Calvert Street – 18th floor Baltimore, Maryland 21202

Please check dcra.dc.gov to view organizations required to register, to search business names, to get step-by-step guidelines to register an organization, to search registered organizations, and to download forms and documents. Just click on "Corporate Registrations."

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "1920 8TH STREET LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-FOURTH DAY OF JUNE, A.D. 2008.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "1920 8TH STREET LLC" WAS FORMED ON THE SIXTH DAY OF AUGUST, A.D. 2007.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

4402335 8300

080723297

AUTHENTICATION: 6682440

DATE: 06-24-08

You may verify this certificate online at corp.delaware.gov/authver.shtml

*** Slip Sheet ***

Document

1920 8TH STREET LLC

1012

DC Treasurer

06/24/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
06/24/2008	Bill	1920 8th St Venture	200.00	200.00		200.00
					Check Amount	200.00

BB&T-Checking Acct#516 Appl for Cert of Registration for Foreign LLC - 1920 8th S 200.00

PRODUCT DLT104 USE WITH 0370 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0014

CONFIDENTIAL

LA 00001385

DISTRICT OF COLUMBIA

BRA 29 (REV 09/02)

Business and Professional License Administration
Corporation Division
941 North Capitol St. N.E.
Washington, D.C. 20002

Billing Voucher

Charge To:

1920 8TH STREET VENTURE LLC

Charge For: **LLC - REGISTRATION**

	QTY:	Office Use Only	
			3222
	1	$ 200.00	
	1	$	
	1	$	
	1	$	
Date 7/1/2008	PAY THIS AMOUNT PAYABLE TO THE D.C. TREASURER	$ 200.00	Total

CONFIDENTIAL

LA 00001386

DCRA

DEPARTMENT OF CONSUMER & REGULATORY AFFAIRS

District of Columbia Government

Corporations Division
PO Box 92300
Washington DC 20090

Application for Certificate of Registration for Foreign Limited Liability Company

Use this form to register your foreign Limited Liability Company (LLC).

ENTITY TYPE	FILING FEE
Foreign Limited Liability Company	$200, payable to DC Treasury

Under the provisions of the Limited Liability Company Act, DC Official Code Title 29 Chapter 10, the company listed below hereby applies for a Certificate of Registration to transact business in the District of Columbia, and for that purpose submits the statement below.

1. Entity Name 1920 8th Street Venture LLC	2. Company Designation elected in the District of Columbia. (Add LLC or PLLC if this designation is not required by the state of organization.)
3. Organized under the laws of which state or country Delaware	4. Date of Organization 8/06/2007
5. Term of Existence Perpetual	6. Date company started or will start transacting business in the District of Columbia. (If you started business before you registered, you must file a 2-year report and pay applicable fees.) 8/06/2007
7. Address of the company in the state where it is organized. (If the principal address is outside the state of organization, give the RA in the state of organization.) c/o Corporation Service Company 2711 Centerville Road, Suite 400 Wilmington, DE 19808	8. Registered Agent's name and address of registered office in District of Columbia. (Attach Form RA-1 for RA's consent to this application.) ROBB M. LAKRITZ 4326 8th St NW Washington, DC 20011

9. Briefly describe the proposed activity company will transact in the District of Columbia. (General purposes are acceptable in combination with specific purposes.)

Real Estate Investment

10. List all managers and members of the Limited Liability Company

TITLE	NAME	ADDRESS
Mng. Member	Robb M. LaKritz	4326 8th St NW, Wash., DC 20011
Mng. Member	Joshua A. Adler	2151 FLORIDA AVE NW, Wash., DC 20008

11. It is authorized to pursue such purpose in the state or country under the laws of which it is organized.

12 Attach an original Certificate of Good Standing (Certificate of Existence) from Registration Authority in the State/Country of Incorporation that is not over 30 days old. (Certificate of good standing from Tax or Licensing Authority will not be sufficient.)

If you sign this application, you agree that you understand that anyone who makes a false statement anywhere on it can be punished by criminal penalties of a fine up to $1000, imprisonment up to 180 days, or both, under DCOC § 22-2405.

13. Select Company Representative executing this form ☐ Manager ☒ Member ☐ Authorized Person	14. Signature ROBB M. LAKRITZ

Mail all forms and required payment to: Department of Consumer and Regulatory Affairs Corporations Division PO Box 92300 Washington, DC 20090 Phone: (202) 442-4432	For overnight delivery send to: Corporate Bank of America Attention: DC Government Wholesale Lockbox #92300 Mail Code MD4-301-18-04 225 North Calvert Street – 18th floor Baltimore, Maryland 21202

Please check dcra.dc.gov to view organizations required to register, to search business names, to get step-by-step guidelines to register an organization, to search registered organizations, and to download forms and documents. Just click on "Corporate Registrations."

DCRA

DEPARTMENT OF CONSUMER & REGULATORY AFFAIRS

District of Columbia Government

Corporations Division
PO Box 92300
Washington DC 20090

RA-1. Registered Agent Written Consent

Use this form to appoint a Registered Agent for an entity. Choose Option A or B, but not both. There is no filing fee for this form.
Under DC Official Code (DCOC) Titles 29 and 41, a Registered Agent (RA) must be:

- A bona fide resident of the District of Columbia (District), or
- A for-profit corporation, authorized by articles of incorporation or certificate of authority to act as agent.

Limited Liability Corporations (LLCs) and Limited Liability Partnerships (LLPs) may not act as RAs. Entities may not act as their own RAs.

A. By a District Of Columbia resident: I, a bona fide District resident, consent to act as a RA for the entity below.

Name of Resident	Address of Resident
Robb M. Lakritz	4326 8th St. NW Washington DC 20011
Entity Name	**Signature**
1920 8th Street Venture LLC	

B. By a legally authorized corporation: The authorized corporate Registered Agent in the District, by the signatures of its President/Vice-President and Secretary/Assistant Secretary, agrees to act as RA for the entity below.

Name of Corporation	Address
Entity Name	
President or Vice-President	**Signature**
Secretary or Assistant Secretary	**Signature**

If you sign this form, you agree that you understand that anyone who makes a false statement anywhere on it can be punished by criminal penalties of a fine up to $1000, imprisonment up to 180 days, or both, under DCOC § 22-2405.

Mail all forms and required payment to:	For overnight delivery send to:
Department of Consumer and Regulatory Affairs Corporations Division PO Box 92300 Washington, DC 20090 Phone: (202) 442-4432	Corporate Bank of America Attention: DC Government Wholesale Lockbox #92300 Mail Code MD4-301-18-04 225 North Calvert Street – 18th floor Baltimore, Maryland 21202

Please check dcra.dc.gov to view organizations required to register, to search business names, to get step-by-step guidelines to register an organization, to search registered organizations, and to download forms and documents. Just click on "Corporate Registrations."

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "1920 8TH STREET VENTURE LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-FOURTH DAY OF JUNE, A.D. 2008.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "1920 8TH STREET VENTURE LLC" WAS FORMED ON THE SIXTH DAY OF AUGUST, A.D. 2007.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

4402338 8300

080723297

AUTHENTICATION: 6682439

DATE: 06-24-08

You may verify this certificate online at corp.delaware.gov/authver.shtml

*** Slip Sheet ***

Document

1011

1920 8TH STREET LLC
4326 8th Street NW
Washington, DC 20011

BB&T
BRANCH BANKING AND TRUST COMPANY
DISTRICT OF COLUMBIA

15-154-540

06/12/2008

PAY TO THE ORDER OF DC Treasurer

$ **150.00

One Hundred Fifty and 00/100********** DOLLARS

DC Treasurer

VOID

VOID

AUTHORIZED SIGNATURE

MEMO 2 Year LLC Report for 1920 8th Street Venture LLC

Security features. Details on back.

⑈0000101 1⑈ ⑆054001547⑆000516277863 5⑈

CONFIDENTIAL

LA 00001390

1920 8TH STREET LLC

1011

DC Treasurer 06/12/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
06/12/2008	Bill	2yr LLC Report	150.00	150.00		150.00
					Check Amount	150.00

BB&T-Checking Acct#516 2 Year LLC Report for 1920 8th Street Venture LLC 150.00

CONFIDENTIAL LA 00001391

1920 8TH STREET LLC

1011

DC Treasurer 06/12/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
06/12/2008	Bill	2yr LLC Report	150.00	150.00		150.00
					Check Amount	150.00

BB&T-Checking Acct#516 2 Year LLC Report for 1920 8th Street Venture LLC 150.00

PRODUCT DLT104 USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0013

CONFIDENTIAL LA 00001392

*** Slip Sheet ***

Document

FOIA CONFIDENTIAL TREATMENT REQUESTED

1010

1920 8TH STREET LLC
4326 8th Street NW
Washington, DC 20011

BB&T
BRANCH BANKING AND TRUST COMPANY
DISTRICT OF COLUMBIA

15-154-540

06/12/2008

PAY TO THE ORDER OF DC Treasurer

$ **150.00

One Hundred Fifty and 00/100********** DOLLARS

DC Treasurer

VOID

VOID

VOID

Security features. Details on back.

MEMO 2 Year LLC Report

AUTHORIZED SIGNATURE

⑈00001010⑈ ⑆054001547⑆000516277863 5⑈

1920 8TH STREET LLC

1010

DC Treasurer

06/12/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
06/12/2008	Bill	2 Year LLC Report	150.00	150.00		150.00
					Check Amount	150.00

BB&T-Checking Acct#516 2 Year LLC Report 150.00

CONFIDENTIAL

LA 00001393

WMATA-INV 017499

1920 8TH STREET LLC

1010

DC Treasurer

06/12/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
06/12/2008	Bill	2 Year LLC Report	150.00	150.00		150.00
					Check Amount	150.00

BB&T-Checking Acct#516 2 Year LLC Report 150.00

PRODUCT DLT104 USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0017

CONFIDENTIAL LA 00001394

*** Slip Sheet ***

Document

Messages Help Security Logoff

OVERVIEW | ACCOUNTS | TRANSFERS | BILL PAYMENT | STATEMENTS | CUSTOMER SERVICE

Make Payment Payees Pending Payments Payment History

Make Payment

Payment Confirmation:

You have successfully scheduled your payment(s).

Payee Name:	Medal, Inc.	**Processing Date:**	06/04/2008
Payee Account #:	Lease Subordination	**Delivery Date:**	06/11/2008
Amount:	$6,250.00		
Account to Debit:	1920 8th Street LLC / $6,692.09	**Reference Number:**	0000000542
Frequency:	Single Payment	**Memo:**	
# of Payments:	1		

Note: Funds for this payment will be withdrawn when the check clears your account.

OK

ENTERED

For assistance, call BB&T OnLine Support at 1-888-BBT-ONLINE (1-888-228-6654).

CONFIDENTIAL LA 00001395

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017502

*** Slip Sheet ***

Document

Messages Help Security Logoff

OVERVIEW	ACCOUNTS	TRANSFERS	BILL PAYMENT	STATEMENTS	CUSTOMER SERVICE

Make Payment Payees Pending Payments Payment History

Make Payment

Payment Confirmation:

You have successfully scheduled your payment(s).

Payee Name:	Medal, Inc.	**Processing Date:**	05/01/2008
Payee Account #:	Lease Subordination	**Delivery Date:**	05/08/2008
Amount:	$6,250.00		
Account to Debit:	1920 8th Street LLC / $6,942.09	**Reference Number:**	0000000523
Frequency:	Single Payment	**Memo:**	
# of Payments:	1	Note: Funds for this payment will be withdrawn when the check clears your account.	

OK

ENTERED

For assistance, call BB&T OnLine Support at 1-888-BBT-ONLINE (1-888-228-6654).

CONFIDENTIAL LA 00001396

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017504

*** Slip Sheet ***

Document

1920 8TH STREET LLC

1009

Delaware Secretary of State 04/15/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
04/15/2008	Bill	File#4402338	200.00	200.00		200.00
					Check Amount	200.00

BB&T-Checking Acct#516 File#4402338: 1920 8th Street Venture LLC - 2007 LLC T 200.00

PRODUCT DLT104 USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0011

CONFIDENTIAL LA 00001397

Tax Hotline:1-888-690-2468

Fax: (302) 636-5454

CORPORATION SERVICE COMPANY

2711 Centerville Road, Suite 400, Wilmington, DE 19808 USA

1920 8TH STREET VENTURE LLC

Holland & Knight LLP
ATTN: Dianne Holmes
SUITE 200
2099 Pennsylvania Ave NW
Washington DC 20006-6800

ENTERED

FEBRUARY 2008

CSC Company ID: 2626936

DE File Number: 4402338

LP/LLC TAX PAYMENT DUE JUNE 1, 2008

Conveniently pay your Delaware tax electronically with the E-Filing service from Corporation Service Company (CSC) - your Registered Agent. E-Filing is simple and quick since your company information is already in the CSC database. E-File today by visiting www.cscglobal.com/efiling.

YOUR TAX PAYMENT MUST BE RECEIVED (NOT POSTMARKED) ON OR BEFORE JUNE 1, 2008 by the State of Delaware, Division of Corporations PO Box 11728, Newark, NJ 07101-4728.

Fold twice at the perforation before tearing !!

Please use caution when detaching the perforated tax bill !!

DETACH AT THE PERFORATION

15314
SOSCCL

STATE OF DELAWARE
L.L.C. TAX NOTICE

DO NOT ALTER FILE NUMBER

FILE NUMBER	NAME	TAX YEAR	PHONE NUMBER
4402338	1920 8TH STREET VENTURE LLC	2007	

TAX	PENALTY	INTEREST	FILING FEE	CHECK CHARGE	PREV. BAL OR CR.	TOTAL BAL. DUE
200.00	0.00	0.00	0.00	0.00	0.00	200.00

AMT. DUE IF RECD. BY JUN 1, 2008	AMT. DUE IF RECD. BY JUL 1, 2008	AMT. DUE IF RECD. BY AUG 1, 2008	AMT. DUE IF RECD. BY SEP 1, 2008
200.00	304.50	309.00	313.50

REGISTERED AGENT 9000014
CORPORATION SERVICE COMPANY
2711 CENTERVILLE ROAD
SUITE 400
WILMINGTON, DE 19808

MAKE CHECK PAYABLE TO:
DELAWARE SECRETARY OF STATE

CHECK NO.	AMOUNT ENCLOSED

PLEASE REMIT INVOICE WITH PAYMENT

7 060108 4402338 000020000 0 6

CONFIDENTIAL

LA 00001398

FOIA CONFIDENTIAL TREATMENT REQUESTED

Tax Hotline:1-888-690-2468

Fax: (302) 636-5454

CORPORATION SERVICE COMPANY®

2711 Centerville Road, Suite 400, Wilmington, DE 19808 USA

1920 8TH STREET VENTURE LLC

Holland & Knight LLP
ATTN: Dianne Holmes
SUITE 200
2099 Pennsylvania Ave NW
Washington DC 20006-6800

FEBRUARY 2008

CSC Company ID: 2626936

DE File Number: 4402338

LP/LLC TAX PAYMENT DUE JUNE 1, 2008

Conveniently pay your Delaware tax electronically with the E-Filing service from Corporation Service Company (CSC) - your Registered Agent. E-Filing is simple and quick since your company information is already in the CSC database. E-File today by visiting www.cscglobal.com/efiling.

YOUR TAX PAYMENT MUST BE RECEIVED (NOT POSTMARKED) ON OR BEFORE JUNE 1, 2008 by the State of Delaware, Division of Corporations PO Box 11728, Newark, NJ 07101-4728.

Fold twice at the perforation before tearing !!

Please use caution when detaching the perforated tax bill !!

DETACH AT THE PERFORATION

WMATA-INV 017508

*** Slip Sheet ***

Document

1920 8TH STREET LLC

1008

Delaware Secretary of State

04/15/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
04/15/2008	Bill	File#4402335	200.00	200.00		200.00
					Check Amount	200.00

BB&T-Checking Acct#516 File#4402335: 1920 8th Street LLC - 2007 LLC Tax 200.00

PRODUCT DLT104 USE WITH 9370 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0010

CONFIDENTIAL LA 00001400

Tax Hotline:1-888-690-2468

Fax: (302) 636-5454

CORPORATION SERVICE COMPANY

2711 Centerville Road, Suite 400, Wilmington, DE 19808 USA

1920 8TH STREET LLC

Holland & Knight LLP
ATTN: Dianne Holmes
SUITE 200
2099 Pennsylvania Ave NW
Washington DC 20006-6800

FEBRUARY 2008

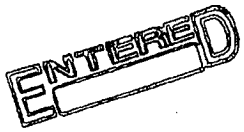
CSC Company ID: 2626934

DE File Number: 4402335

LP/LLC TAX PAYMENT DUE JUNE 1, 2008

Conveniently pay your Delaware tax electronically with the E-Filing service from Corporation Service Company (CSC) - your Registered Agent. E-Filing is simple and quick since your company information is already in the CSC database. E-File today by visiting www.cscglobal.com/efiling.

YOUR TAX PAYMENT MUST BE RECEIVED (NOT POSTMARKED) ON OR BEFORE JUNE 1, 2008 by the State of Delaware, Division of Corporations PO Box 11728, Newark, NJ 07101-4728.



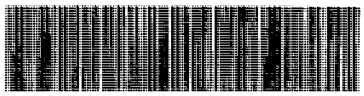
Fold twice at the perforation before tearing !!

Please use caution when detaching the perforated tax bill !!

DETACH AT THE PERFORATION

15315 SOSCCL

STATE OF DELAWARE
L.L.C. TAX NOTICE



DO NOT ALTER FILE NUMBER

FILE NUMBER	NAME	TAX YEAR	PHONE NUMBER
4402335	1920 8TH STREET LLC	2007	

TAX	PENALTY	INTEREST	FILING FEE	CHECK CHARGE	PREV. BAL. OR CR.	TOTAL BAL. DUE
200.00	0.00	0.00	0.00	0.00	0.00	200.00

AMT. DUE IF RECD. BY JUN 1, 2008	AMT. DUE IF RECD. BY JUL 1, 2008	AMT. DUE IF RECD. BY AUG 1, 2008	AMT. DUE IF RECD. BY SEP 1, 2008
200.00	304.50	309.00	313.50

REGISTERED AGENT 9000014
CORPORATION SERVICE COMPANY
2711 CENTERVILLE ROAD
SUITE 400
WILMINGTON, DE 19808

MAKE CHECK PAYABLE TO:
DELAWARE SECRETARY OF STATE

CHECK NO.	AMOUNT ENCLOSED

PLEASE REMIT INVOICE WITH PAYMENT

7 060108 4402335 000020000 0 2

CONFIDENTIAL

LA 00001401

FOIA CONFIDENTIAL TREATMENT REQUESTED

Tax Hotline: 1-888-690-2468

CSC.

CORPORATION SERVICE COMPANY

Fax: (302) 636-5454

2711 Centerville Road, Suite 400, Wilmington, DE 19808 USA

1920 8TH STREET LLC

Holland & Knight LLP
ATTN: Dianne Holmes
SUITE 200
2099 Pennsylvania Ave NW
Washington DC 20006-6800

FEBRUARY 2008

CSC Company ID: 2626934

DE File Number: 4402335

LP/LLC TAX PAYMENT DUE JUNE 1, 2008

Conveniently pay your Delaware tax electronically with the E-Filing service from Corporation Service Company (CSC) - your Registered Agent. E-Filing is simple and quick since your company information is already in the CSC database. E-File today by visiting www.cscglobal.com/efiling.

YOUR TAX PAYMENT MUST BE RECEIVED (NOT POSTMARKED) ON OR BEFORE JUNE 1, 2008 by the State of Delaware, Division of Corporations PO Box 11728, Newark, NJ 07101-4728.

Fold twice at the perforation before tearing !!

Please use caution when detaching the perforated tax bill !!

DETACH AT THE PERFORATION

WMATA-INV 017512

*** Slip Sheet ***

Document

Messages Help Security Logoff

OVERVIEW | ACCOUNTS | TRANSFERS | BILL PAYMENT | STATEMENTS | CUSTOMER SERVICE

Make Payment Payees Pending Payments Payment History

Make Payment

Payment Confirmation:

You have successfully scheduled your payment(s).

Payee Name:	Medal, Inc.	**Processing Date:**	04/01/2008
Payee Account #:	Lease Subordination	**Delivery Date:**	04/08/2008
Amount:	$6,250.00		
Account to Debit:	1920 8th Street LLC / $47,649.27	**Reference Number:**	0000000512
Frequency:	Single Payment	**Memo:**	
# of Payments:	1		

Note: Funds for this payment will be withdrawn when the check clears your account.

OK

ENTERED

For assistance, call BB&T OnLine Support at 1-888-BBT-ONLINE (1-888-228-6654).

CONFIDENTIAL LA 00001403

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017514

*** Slip Sheet ***

Document

1920 8TH STREET LLC

1006

DC Treasurer

03/27/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
03/01/2008	Bill	567500708030I	29,073.40	29,073.40		29,073.40
					Check Amount	29,073.40

BB&T-Checking Acct#516 Sq 0393 Lot 0046, 1st Half 2008 RE Tax 29,073.40

PRODUCT DLT104 USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0008

CONFIDENTIAL LA 00001404

WACHOVIA BANK, NA
Tivoli Square
Washington

PAYMENT FOR UTILITY
ACCT: SQ 0393 LOT 0046
DC PROPERTY TAX
AMOUNT $29,073.40
03/28/08 00265 0068 # 252

Time: 12:21 PM

Calendar Date: 03/28/08
Deposit Effective Date: 03/28/08

Thank You For Your Business
Wachovia

CONFIDENTIAL LA 00001405

1920 8TH STREET LLC

1006

DC Treasurer

03/27/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
03/01/2008	Bill	5675007080301	29,073.40	29,073.40		29,073.40
					Check Amount	29,073.40

BB&T-Checking Acct#516 Sq 0393 Lot 0046, 1st Half 2008 RE Tax 29,073.40

CONFIDENTIAL LA 00001406

FOIA CONFIDENTIAL TREATMENT REQUESTED

----------PLEASE DETACH HERE AND RETURN THIS PORTION WITH YOUR PAYMENT----------

Tax Year 2008 is October 1, 2007 thru September 30, 2008 Class 002

Notice Number: 5675007080301

Square	Suffix	Lot	Property Address	Mrtg. No.	Assessment	Tax Rate/$100	Annual Tax
0393		0046	1916-1930 8TH ST	0	3,143,070	1.85	58,146.80

DESCRIPTION	TAX	PENALTY	INTEREST	PAYMENT	TOTAL
2008 First Half	29,073.40				29,073.40
Total					29,073.40

ENTERED

Additional Information

. TO PAY YOUR TAX IN PERSON, YOU MUST PAY YOUR TAX BILL AT ANY WACHOVIA BANK IN WASHINGTON, DC.

. 32% OF YOUR TAX YEAR 2008 REAL PROPERTY TAX IS USED TO PAY THE GENERAL OBLIGATION BONDS DEBT SERVICE REQUIREMENT.

TAXPAYER'S RECORD

SEE REVERSE SIDE FOR IMPORTANT INFORMATION

FP-177 (REV. 12/04)

Payment Due By:	Mar 31, 2008	Amount Due:	29,073.40
Payment Due By:	Apr 30, 2008	Amount Due:	32,416.84
Payment Due By:	May 30, 2008	Amount Due:	32,852.94

CONFIDENTIAL

LA 00001407

WMATA-INV 017519

FOIA CONFIDENTIAL TREATMENT REQUESTED

TAX BILL INFORMATION

Please detach and return the top portion of this tax bill with your payment in the enclosed envelope. Keep the lower part for your records.

PAYMENTS

You must pay your tax bill by March 31 (first half tax payment) or September 15 (second half tax payment) at any D.C. branch of WACHOVIA BANK or mail your payment to the GOVERNMENT OF THE DISTRICT OF COLUMBIA, OFFICE OF THE CHIEF FINANCIAL OFFICER, OFFICE OF TAX AND REVENUE, PO BOX 98095, WASHINGTON, DC 20090-8095. Please make your check or money order payable to the **D.C. Treasurer.** To ensure that your payment is recorded accurately, write your square, suffix and lot numbers on your check or money order. A $65 fine will be imposed if your bank dishonors your check.

If you have a balance due on your real property tax account, you may use our online **eCheck** system to pay your tax bill.
To use the Real Property Tax **eCheck** online payment system, visit our Web site at www.taxpayerservicecenter.com:

1. Click on **Real Property Service Center**;
2. Click on **Bill Payment (eCheck)**;
3. Click on **Real Property Assessment Database**;
4. Enter the Square, Suffix and Lot numbers of your property (always enter 4 digits in a field, *e.g.* for Square 555, Lot 1, enter "0555" in the "Square" field, nothing in the "Suffix" field, and "0001" in the "Lot" field);
5. Click on the blue-underlined Square, Suffix and Lot real property ID number of your property to retrieve your account information;
6. Click on **View Tax Information** (at the bottom of the page); and
7. Click on **Pay My Property Tax Online**.

PROTESTS

If you believe that your tax bill is incorrect, you may file a protest. First, verify that your property is in the proper tax class (*e.g.* Class 1 is occupied-residential) and that you are receiving the appropriate Homestead and Senior Citizen or Disabled Property Owner Tax Relief. Second, to avoid penalty and interest charges please pay the entire tax bill by the due date. In your protest, explain why you disagree with the tax bill. **MAIL YOUR PROTEST SEPARATELY TO: OFFICE OF TAX AND REVENUE, CUSTOMER SERVICE ADMINISTRATION,** 941 North Capitol Street, NE, Attn: RPTA, Washington, DC 20002. **DO NOT SEND YOUR PROTEST WITH YOUR TAX PAYMENT.**

TAXPAYER INFORMATION

For other service or tax bill questions, visit our Customer Service Center at 941 North Capitol Street, NE, First Floor, Monday-Friday 8:15 a.m. – 4:30 p.m. (except holidays), or call our Customer Service Call Center at (202) 727-4TAX (4829).

MORTGAGE COMPANY INFORMATION

If a mortgage company message is listed on the front of this tax bill, the mortgage company has requested your tax bill. If you did not ask your mortgage company to pay your tax bill, or if you are not completely sure that it will pay, contact your mortgage company. If you are paying the tax bill instead of your mortgage company, send the top portion of this tax bill with your payment. If you are paying more than one tax bill, please send the top portion of all tax bills being paid with your payment.

ADDRESS CHANGES

To change your mailing address for tax bills and real property tax notices, complete and submit a Change of Address form. Download the Change of Address form from our Web site at www.taxpayerservicecenter.com. Click on "Tax Forms/Publications," and then in the Real Property dialogue box click on "Change of Address." Please send the Change of Address form to: Office of Tax and Revenue, Attn: Maps and Titles Section, 941 North Capitol Street, NE, Washington, DC 20002, or fax it to: (202) 442-6796. **DO NOT WRITE ADDRESS CHANGES ON THE RETURN PORTION OF YOUR BILL.**

PENALTY AND INTEREST CHARGES

The law provides that if your real property tax is not paid in full by the due date on the tax bill, the Office of Tax and Revenue must charge a penalty equal to 10 percent of the delinquent tax and interest on the delinquent tax at a rate of 1.5% per month (or part thereof) until paid.

TAX SALES

Properties delinquent in the payment of a real property or BID tax, special or nuisance assessment, water bill or public space rental charge may be sold at tax sale.

FP.177.B Rev. 12/07

WMATA-INV 017520

*** Slip Sheet ***

Document

1920 8TH STREET LLC

1005

Core Group, PC

03/27/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
12/26/2007	Bill	Inv#1, Proj#0737.03	1,516.28	1,516.28		1,516.28
					Check Amount	1,516.28

BB&T-Checking Acct#516 1,516.28

PRODUCT DLT104 USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0007

CONFIDENTIAL LA 00001409

CORE architecture design

LaKritz Adler Development LLC
4326 8th Street, NW
Washington, DC 20011

Attn: Mr. Josh Adler

Re: 1920 8th St - Rendering

December 26, 2007
Invoice No: 1
Project No: 07037.03

TERMS: Net Due Upon Receipt

For professional services rendered for the period November 16, 2007 to December 15, 2007 for the referenced project.

Contract Amount	% Work To Date	Amount Billed	Previous Billed	This Inv Billed
1,500.00	100.000%	1,500.00	0.00	1,500.00
Total Fee Charges				**$1,500.00**
Total Consultant Fees				

Project Color Prints	4.40
Project Reprographics	11.88
Total Reimbursables	**$16.28**
Total Current Billing	**$1,516.28**

core group, pc
Peter F. Hapstak III, AIA, IIDA, ISP
Dale A. Stewart, AIA
Neal R. Sumner III, AIA
I. Guyman Martin, AIA
1010 wisconsin ave nw suite 405
washington, dc 20007
t 202.466.6116
f 202.466.6235
e gen@coredc.com
w coredc.com

*** Slip Sheet ***

Document

Messages Help Security Logoff

OVERVIEW | ACCOUNTS | TRANSFERS | BILL PAYMENT | STATEMENTS | CUSTOMER SERVICE

Make Payment Payees Pending Payments Payment History

Make Payment

Payment Confirmation:

You have successfully scheduled your payment(s).

Payee Name:	Medal, Inc.	**Processing Date:**	02/29/2008
Payee Account #:	Lease Subordination	**Delivery Date:**	03/07/2008
Amount:	$6,250.00		
Account to Debit:	1920 8th Street LLC / $6,649.27	**Reference Number:**	0000000500
Frequency:	Single Payment	**Memo:**	
# of Payments:	1		

Note: Funds for this payment will be withdrawn when the check clears your account.

OK

ENTERED

For assistance, call BB&T OnLine Support at 1-888-BBT-ONLINE (1-888-228-6654).

CONFIDENTIAL LA 00001411

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017525

*** Slip Sheet ***

Document

Messages Help Security Logoff

OVERVIEW | ACCOUNTS | TRANSFERS | BILL PAYMENT | STATEMENTS | CUSTOMER SERVICE

Make Payment Payees Pending Payments Payment History

Make Payment

Payment Confirmation:

You have successfully scheduled your payment(s).

Payee Name:	Medal, Inc.	**Processing Date:**	02/01/2008
Payee Account #:	Lease Subordination	**Delivery Date:**	02/08/2008
Amount:	$6,250.00		
Account to Debit:	1920 8th Street LLC / $2,899.27	**Reference Number:**	0000000487
Frequency:	Single Payment	**Memo:**	
# of Payments:	1		

Note: Funds for this payment will be withdrawn when the check clears your account.

OK

For assistance, call BB&T OnLine Support at 1-888-BBT-ONLINE (1-888-228-6654).

CONFIDENTIAL LA 00001412

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017527

*** Slip Sheet ***

Document

1920 8th ST. - PDA/P - 2009

*** Slip Sheet ***

Document

1920 8TH STREET LLC

1038

Corporation Service Company

07/23/2009

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
06/13/2009	Bill	72309719	83.39	83.39		83.39
06/13/2009	Bill	72309720	83.39	83.39		83.39
					Check Amount	166.78

BB&T-Checking Acct#516 166.78

PRODUCT DLT104 USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0040

CONFIDENTIAL LA 00001414

ANNUAL INVOICE

CORPORATION SERVICE COMPANY

2711 CENTERVILLE ROAD
WILMINGTON, DE 19808

ACCOUNT NO.	INVOICE DATE	INVOICE NO.	DUE DATE	TOTAL DUE
4327719	6/13/2009	72309720	7/13/2009	$83.39

DETACH THIS STUB AT PERFORATION
AND RETURN IT WITH YOUR PAYMENT TO:

CORPORATION SERVICE COMPANY
P.O. BOX 13397
PHILADELPHIA, PA 19101-3397

**********AUTO**3-DIGIT 200
DIANNE HOLMES
HOLLAND & KNIGHT LLP
2099 PENNSYLVANIA AVE NW STE 100
WASHINGTON, DC 20006-6801

2768

8 02 4327719 5 72309720 00008339 00000000 00000000 00000000 00000000

Account No.: 4327719
Company ID: 2626936

Group No.:
Reference No.: 100191-10

Period Ending: 7/31/2010
Terms: Net 30 Days

1920 8TH STREET VENTURE LLC			AMOUNT
STATUTORY REPRESENTATION			
Delaware		1@269.00	269.00
Discount	69%		(185.61)
		Total Due	$83.39

ENTERED

Statutory Representation Services: You are in good company - more Fortune 500® companies are switching to CSC than ever before! CSC provides statutory service for your company of an agent/office in those states where you conduct business. This agent/office provides a documented location for the purpose of receiving legal process and official communication from the state or other governing bodies. As your registered agent, CSC is in a unique position to offer comprehensive and integrated suites of services, such as RecordsCenter ™ for entity management, name management services for intellectual property protection, and electronic litigation and matter management. Call 800-927-9800 or go to www.incspot.com for more information.

CORPORATION SERVICE COMPANY

Notice: See reverse side for important information.

Remittance Stub

PLEASE INCLUDE THIS REMITTANCE WITH YOUR PAYMENT.

CORPORATION SERVICE COMPANY®

CREDIT CARD PAYMENT (circle one): VISA MC AMEX DS

CARD #: _____

EXP DATE: _____ **AMOUNT REMITTED:** _____

TELEPHONE #: _____

NAME ON CARD: _____

SIGNATURE: _____

Billing Rights Summary:
In case of errors or questions about your bill or you need more information about a transaction, please contact our Billing Department at (302) 636-5450, fax: (302) 636-5454, or write us at:

Corporation Service Company
2711 Centerville Rd, Suite 400
Wilmington, DE 19808
Attn: Billing Dept.

email: repbilling1@cscinfo.com

CSC General:
CSC currently provides from a broad range of corporate services available to your organization, including statutory representation, corporate legal services, compliance and governance, litigation management, domain name management, trust and special purpose entity services. The maintenance of such service may be required by law or by some other authority affecting your organization.

Payment Options:

*** Check or Money Order**
Make check or money order payable to Corporation Service Company and mail with remittance advice to:

Corporation Service Company
P.O. Box 13397
Philadelphia, PA 19101-3397

***Credit Card**
Corporation Service Company accepts Visa, Master Card, American Express and Discover credit cards for your payment convenience. Please complete the credit card payment information located on the invoice remittance stub and mail it to the address listed above.

***ACH Payments**
Corporation Service Company accepts ACH payments. Please contact Corporation Service Company at the above number to arrange for ACH payments.

***Wire Transfer**

For Domestic (within US) use:
PNC Bank
Acct #: 5603260058
ABA #: 031100089
Address: 222 Delaware Ave, 18th Floor
Wilmington, DE 19801

For International use:
PNC Bank
Acct #: 5603260058
ABA #: 031100089
Swift code: PNCC US 33
Address: 222 Delaware Ave, 18th Floor
Wilmington, DE 19801

Form: CSCREMITINV2.5

Robb,
Do you want to
cancel this representation?
Are you planning to
dissolve the LLC?

7-13-09 Per Robb cannot dissolve.
OK to pay

ANNUAL INVOICE

CORPORATION SERVICE COMPANY

2711 CENTERVILLE ROAD
WILMINGTON, DE 19808

ACCOUNT NO.	INVOICE DATE	INVOICE NO.	DUE DATE	TOTAL DUE
4327719	6/13/2009	72309719	7/13/2009	$83.39

DETACH THIS STUB AT PERFORATION
AND RETURN IT WITH YOUR PAYMENT TO:

CORPORATION SERVICE COMPANY
P.O. BOX 13397
PHILADELPHIA, PA 19101-3397

**********AUTO**3-DIGIT 200
DIANNE HOLMES
HOLLAND & KNIGHT LLP
2099 PENNSYLVANIA AVE NW STE 100
WASHINGTON, DC 20006-6801

2767

1 02 4327719 5 72309719 00008339 00000000 00000000 00000000 00000000

Account No.: 4327719
Company ID: 2626934

Group No.:
Reference No.: 100191-10

Period Ending: 7/31/2010
Terms: Net 30 Days

1920 8TH STREET LLC

ENTERED

			AMOUNT
STATUTORY REPRESENTATION			
Delaware		1@269.00	269.00
Discount	69%		(185.61)
		Total Due	$83.39

Statutory Representation Services: You are in good company - more Fortune 500® companies are switching to CSC than ever before! CSC provides statutory service for your company of an agent/office in those states where you conduct business. This agent/office provides a documented location for the purpose of receiving legal process and official communication from the state or other governing bodies. As your registered agent, CSC is in a unique position to offer comprehensive and integrated suites of services, such as RecordsCenter™ for entity management, name management services for intellectual property protection, and electronic litigation and matter management. Call 800-927-9800 or go to www.incspot.com for more information.

CORPORATION SERVICE COMPANY

Notice: See reverse side for important information.

CONFIDENTIAL

LA 00001418

Remittance Stub

PLEASE INCLUDE THIS REMITTANCE WITH YOUR PAYMENT.

CORPORATION SERVICE COMPANY®

CREDIT CARD PAYMENT (circle one): VISA MC AMEX DS

CARD #: _____

EXP DATE: _____ **AMOUNT REMITTED:** _____

TELEPHONE #: _____

NAME ON CARD: _____

SIGNATURE: _____

Billing Rights Summary:
In case of errors or questions about your bill or you need more information about a transaction, please contact our Billing Department at (302) 636-5450, fax: (302) 636-5454, or write us at:

Corporation Service Company
2711 Centerville Rd, Suite 400
Wilmington, DE 19808
Attn: Billing Dept.

email: repbilling1@cscinfo.com

CSC General:
CSC currently provides from a broad range of corporate services available to your organization, including statutory representation, corporate legal services, compliance and governance, litigation management, domain name management, trust and special purpose entity services. The maintenance of such service may be required by law or by some other authority affecting your organization.

Payment Options:

*** Check or Money Order**
Make check or money order payable to Corporation Service Company and mail with remittance advice to:

Corporation Service Company
P.O. Box 13397
Philadelphia, PA 19101-3397

***Credit Card**
Corporation Service Company accepts Visa, Master Card, American Express and Discover credit cards for your payment convenience. Please complete the credit card payment information located on the invoice remittance stub and mail it to the address listed above.

***ACH Payments**
Corporation Service Company accepts ACH payments. Please contact Corporation Service Company at the above number to arrange for ACH payments.

***Wire Transfer**

For Domestic (within US) use:

PNC Bank	
Acct #:	5603260058
ABA #:	031100089
Address:	222 Delaware Ave, 18th Floor Wilmington, DE 19801

For International use:

PNC Bank	
Acct #:	5603260058
ABA #:	031100089
Swift code:	PNCC US 33
Address:	222 Delaware Ave, 18th Floor Wilmington, DE 19801

Form: CSCREMITINV2.5

*** Slip Sheet ***

Document

1920 8TH STREET LLC

1037

DC Treasurer

07/15/2009

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
07/15/2009	Bill	D-30 Y/E 12/31/2008	100.00	100.00		100.00
					Check Amount	100.00

BB&T-Checking Acct#516 Form D-30, FEIN 26-1504833, Y/E 12/31/2008 100.00

PRODUCT DLT104 USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0039

CONFIDENTIAL LA 00001420

Government of the District of Columbia

2008 D-30 Unincorporated Business Franchise Tax Return

0 8 0 3 0 0 1 1 0 0 0 2

OFFICIAL USE

Important: Print in CAPITAL letters using black ink.

Taxpayer Identification Number: 26-1504833 — Fill in ● if FEIN; Fill in ○ if SSN — NAICS CODE fill in

Business name: 1920 8TH STREET VENTURE LLC

Taxable year beginning MMYY: 0108 — Taxable year ending MMYY: 1208

Business address line #1: 4326 8TH ST NW

Fill in if Amended Return

Fill in if Certified QHTC

Fill in if Final Return

Business address line #2

City: WASHINGTON — State: DC — Zip Code + 4: 20011

Mailing address line #1

Number of business locations

Mailing address line #2

In DC

Outside DC

City — State — Zip Code + 4

•READ INSTRUCTIONS BEFORE PREPARING RETURN•

IF LINE 10 IS $12,000 OR LESS, NO TAX IS DUE – DO NOT FILE A RETURN.

Enter dollar amounts only. If the amount is zero, leave line blank; if it is a minus, fill in the oval.

GROSS INCOME	1 Gross receipts, minus returns and allowances.		1		00
	2 Cost of goods sold (from D-30, Schedule A) and/or operations.		2		00
	3 Gross profit. *Line 1 minus Line 2.*	Fill in if minus:	3		00
	4 Dividends. *Minus Subpart F income (Attach statement).*		4		00
	5 Interest. *Attach statement showing calculations.*		5		00
	6 Gross rental income *from Schedule D, Column 3, Line 7.*	Fill in if minus:	6	36 000	00
	7 Net royalties. *Attach statement.*		7		00
	8(a)Net capital gain. *Attach a copy of your federal Schedule D.*		8a		00
	(b)Ordinary gain (loss) from Part II, fed. form 4797, *attach copy*	Fill in if minus:	8b		00
	9 Other income. *Attach a detailed statement.*	Fill in if minus:	9		00
	10 Total gross income. *Add Lines 3–9.*	Fill in if minus:	10	36 000	00
DEDUCTIONS	11 Salaries and wages *(Do not include owner(s)/member(s)).*		11		00
	12 Repairs.		12		00
	13 Bad debts. *Attach a copy of any statement filed with your federal return.*		13		00
	14(a) Royalty payments made	00			
	(b) Minus payments to related entities	00			
		Enter result	14		00
	15 Rent.		15		00
	16 Taxes *from D-30, Schedule C.*		16		00
	17 Interest expense *from D-30, Schedule E.*		17		00
	18 Contributions and/or gifts *from D-30, Schedule B.*		18		00
	19 Amortization. *Attach a copy of your federal Form 4562, Part VI.*		19		00
	20 Depreciation. *Attach a copy of your federal Form 4562. Do not include the additional sec. 179 expenses or federal bonus depreciation.*		20		00
	21 Other allowable deductions *from D-30, Schedule G.*		21	175 879	00
	22 Total deductions. *Add Lines 11–21.*		22	175 879	00

CONFIDENTIAL

LA 00001421

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017539

D-30 PAGE 2

Taxpayer Name: 1920 8TH STREET VENTURE LLC

FEIN or SSN: 26-1504833

0 8 0 3 0 0 1 2 0 0 0 2

ENTER DOLLAR AMOUNTS ONLY

TAXABLE INCOME	23 Net income. *Line 10 minus Line 22.*	Fill in if minus: X	23	139 879	00
	24 Net operating loss deduction *for years before 2000.*		24		00
	25 Net income after NOL deduction. *Line 23 minus Line 24.*	Fill in if minus: X	25	139 879	00
	26 (a) Non-business income. *Attach an allocation statement.*	Fill in if minus:	26a		00
	(b) Minus: Related expense. *Attach an allocation statement.*		26b		00
	(c) Subtract Line 26(b) from Line 26(a).	Fill in if minus:	26c		00
	27 Net income from trade or business subject to apportionment. *Line 25 minus Line 26(c).*	Fill in if minus: X	27	139 879	00
	28 DC apportionment factor *from D-30, Schedule F, Col 3, Line 5.*		28	1.000	
	29 Net income from trade or business apportioned to DC. *Multiply Line 27 by the factor on Line 28.*	Fill in if minus: X	29	139 879	00
	30 Portion of Line 26(c) attributable to DC. *Attach statement.*	Fill in if minus:	30		00
	31 Total District net income (loss). *Combine Lines 29 and 30.*	Fill in if minus: X	31	139 879	00
	32 Salary for owner(s) / member(s) services from D-30, Schedule J, Column 4.		32		00
	33 Exemption. *Maximum is $5000. Enter days in DC.* → 33a *If fewer than 365 days in DC, see page 10 for amount to claim.*		33		00
	34 Total taxable income before apportioned NOL deduction *Line 31 minus total of Lines 32 and 33.*	Fill in if minus: X	34	139 879	00
	35 Apportioned NOL deduction. *Losses occurring in year 2000 and later.*		35		00
	36 Total taxable income. *Line 34 minus Line 35.*	Fill in if minus: X	36	139 879	00
TAX, PAYMENTS AND CREDITS	37 Tax *9.975% of Line 36. If less than $100 enter $100.*		37	100	00
	38 Minus Nonrefundable Credits from Schedule UB, Line 12.		38		00
	39 Net Tax (may not be less than $100).		39	100	00
	40 Payments and Refundable Credits: (a) Tax paid, if any, with request for an extension of time to file or paid with original return if this is an amended return.		40a		00
	(b) 2008 estimated franchise tax payments.		40b		00
	(c) Refundable credits from Schedule UB, Line 13.		40c		00
	41 Add Lines 40(a), (b) and (c).		41		00
	42 Tax Due. *If Line 39 amount is larger, subtract Line 41 from Line 39.*		42	100	00
	43 Overpayment. *If Line 41 amount is larger, subtract Line 39 from Line 41.*		43		00
	44 Amount you want to apply to your 2009 estimated franchise tax.		44		00
	45 Amount to be refunded. *Line 43 minus Line 44.*		45		00

Payment due return – make payment payable to the DC Treasurer. Include your FEIN/SSN, D-30 and tax year on the payment and attach it to the D-2030P voucher. Mail return and payment to PO Box 7572.

Refund or no payment due return – mail to PO Box 234. PO Box mail labels are provided with the return envelope.

Your return is due by the 15th day of the fourth month following the close of your tax year.

PLEASE SIGN HERE — Under penalties of law, I declare that I have examined this return and, to the best of my knowledge, it is correct. Declaration of paid preparer is based on the information available to the preparer.

Officer's signature | Title: MANAGING MEMBER | Date: 7-15-09 | Telephone number of person to contact

PAID PREPARER ONLY — Preparer's signature (if other than taxpayer) | Date | Firm name | Firm address

Preparer's FEIN, SSN or PTIN

If you want to allow the preparer to discuss this return with the Office of Tax and Revenue fill in the oval.

CONFIDENTIAL LA 00001422

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017540

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

Government of the District of Columbia **2008** D-2030P Payment Voucher

0 8 2 3 0 0 1 1 0 0 0 0

Important: Print in CAPITAL letters in black ink.

STAPLE CHECK OR MONEY ORDER HERE

Taxpayer Identification Number
261504833

Fill in ● if FEIN Fill in if for a D-20 Return
Fill in if SSN Fill in if for a D-30 Return

Business name
1920 8TH STREET VENTURE LLC

Taxable year beginning MM/YY 01/01/2008
Taxable year ending MM/YY 12/30/2008

Mailing address line #1
4326 8TH ST NW

Mailing address line #2

City
WASHINGTON

State DC
Zip Code + 4 20011

Amount of payment 100.00 *Do not enter cents, enter dollars only. To avoid penalties and interest, your payment must be postmarked by the due date of your return.*

LA 00001423

WMATA-INV 017541

*** Slip Sheet ***

Document

1920 8TH STREET LLC

1035

TLG One Corp.

05/05/2009

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
05/05/2009	Bill	Sec Dep Refund	3,000.00	3,000.00		3,000.00
					Check Amount	3,000.00

BB&T-Checking Acct#516 Refund of Security Deposit 3,000.00

PRODUCT DLT104 USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0037

CONFIDENTIAL LA 00001424

Brad Voight - Personal

From: Robb M. LaKritz [robb@lakritzadler.com]
Sent: 05/04/2009 4:29 PM
To: 'Tihisha Girmai'
Cc: 'Brad Voight - LA'
Subject: RE: deposti

Tomorrow.

From: Tihisha Girmai [mailto:girmaiparking@gmail.com]
Sent: Monday, May 04, 2009 4:08 PM
To: robb@lakritzadler.com
Subject: deposti

Hello Robb,

If your business with the Dr. Abraham has concluded, when can I come by to pickup my deposit?

ENTERED

--
Tihisha Girmai
TLG One Corp.
President

05/04/09

*** Slip Sheet ***

Document

1920 8TH STREET LLC

1033

Delaware Secretary of State

03/30/2009

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
03/01/2009	Bill	4402338-2009	250.00	250.00		250.00
					Check Amount	250.00

BB&T-Checking Acct#516 File#4402338: 1920 8th Street LLC - 2009 LLC Tax 250.00

PRODUCT DLT104 USE WITH 9379 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0035

CONFIDENTIAL LA 00001426

FOIA CONFIDENTIAL TREATMENT REQUESTED

CORPORATION SERVICE COMPANY

1920 8TH STREET VENTURE LLC

Holland & Knight LLP
ATTN: Dianne Holmes
SUITE 100
2099 Pennsylvania Ave NW
Washington DC 20006-6800

FEBRUARY 2009

CSC Company ID: 2626936

DE File Number: 4402338

LP/LLC TAX PAYMENT DUE JUNE 1, 2009

Conveniently pay your Delaware tax electronically with our E-File service by visiting www.cscglobal.com/efiling. Corporation Service Company offers this convenient E-filing service to make paying your franchise taxes quick and easy. As your Registered Agent, CSC already stores your company information in our database.

YOUR TAX PAYMENT MUST BE RECEIVED (NOT POSTMARKED) ON OR BEFORE JUNE 1, 2009 by the State of Delaware, Division of Corporations at PO Box 11728, Newark, NJ 07101-4728.

ENTERED

Fold twice at the perforation before tearing !!

Please use caution when detaching the perforated tax bill !!

DETACH AT THE PERFORATION

CONFIDENTIAL

LA 00001427

WMATA-INV 017547

*** Slip Sheet ***

Document

1920 8TH STREET LLC

1030

Delaware Secretary of State

03/30/2009

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
03/01/2009	Bill	4402335-2009	250.00	250.00		250.00
					Check Amount	250.00

BB&T-Checking Acct#516 File#4402335: 1920 8th Street LLC - 2009 LLC Tax 250.00

PRODUCT DLT104 USE WITH 9378 ENVELOPE NEBS To Reorder: 1-800-225-6380 or www.nebs.com PRINTED IN U.S.A. A

0032

CONFIDENTIAL

LA 00001428

FOIA CONFIDENTIAL TREATMENT REQUESTED

CORPORATION SERVICE COMPANY

1920 8TH STREET LLC

Holland & Knight LLP
ATTN: Dianne Holmes
SUITE 100
2099 Pennsylvania Ave NW
Washington DC 20006-6800

FEBRUARY 2009

CSC Company ID: 2626934

DE File Number: 4402335

LP/LLC TAX PAYMENT DUE JUNE 1, 2009

Conveniently pay your Delaware tax electronically with our E-File service by visiting www.cscglobal.com/efiling. Corporation Service Company offers this convenient E-filing service to make paying your franchise taxes quick and easy. As your Registered Agent, CSC already stores your company information in our database.

YOUR TAX PAYMENT MUST BE RECEIVED (NOT POSTMARKED) ON OR BEFORE JUNE 1, 2009 by the State of Delaware, Division of Corporations at PO Box 11728, Newark, NJ 07101-4728.

ENTERED

Fold twice at the perforation before tearing !!

Please use caution when detaching the perforated tax bill !!

DETACH AT THE PERFORATION

CONFIDENTIAL

LA 00001429

WMATA-INV 017550

*** Slip Sheet ***

Document

Do Not Staple 6969

Form **1096**

Department of the Treasury
Internal Revenue Service

Annual Summary and Transmittal of U.S. Information Returns

OMB No. 1545-0108

2009

FILER'S name
1920 8th Street LLC

Street address (including room or suite number)
4326 8th Street NW

City, state, and ZIP code
Washington, DC 20011

Name of person to contact	Telephone number
Robb LaKritz	(202 882-0808
Email address	Fax number (202 882-0809

For Official Use Only

1 Employer Identification number	2 Social security number	3 Total number of forms	4 Federal income tax withheld	5 Total amount reported with this Form 1096
26-1504956		2	$	$ 7676.22

6 Enter an "X" in only one box below to indicate the type of form being filed. 7 If this is your **final return**, enter an "X" here . . . ▶ ☐

W-2G 32	1098 81	1098-C 78	1098-E 84	1098-T 83	1099-A 80	1099-B 79	1099-C 85	1099-CAP 73	1099-DIV 91	1099-G 86	1099-H 71	1099-INT 92	1099-LTC 93
☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

1099-MISC 95	1099-OID 96	1099-PATR 97	1099-Q 31	1099-R 98	1099-S 75	1099-SA 94	3921 25	3922 26	5498 28	5498-ESA 72	5498-SA 27
☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Return this entire page to the Internal Revenue Service. Photocopies are not acceptable.

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature ▶ **Title ▶** ROBB M. LAKRITZ MANAGING MEMBER **Date ▶** 2-16-10

Instructions

Reminder. The only acceptable method of filing information returns with Enterprise Computing Center—Martinsburg (ECC—MTB) is electronically through the FIRE system. See Pub. 1220, Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, and W-2G Electronically.

Purpose of form. Use this form to transmit paper Forms 1099, 1098, 3921, 3922, 5498, and W-2G to the Internal Revenue Service. Do not use Form 1096 to transmit electronically. For electronic submissions, see Pub. 1220, Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, and W-2G Electronically.

Caution: If you are required to file 250 or more information returns of any one type, you must file electronically. If you are required to file electronically but fail to do so, and you do not have an approved waiver, you may be subject to a penalty. For more information, see part F in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

Who must file. The name, address, and TIN of the filer on this form must be the same as those you enter in the upper left area of Forms 1099, 1098, 3921, 3922, 5498, or W-2G. A filer is any person or entity who files any of the forms shown in line 6 above.

Preaddressed Form 1096. If you received a preaddressed Form 1096 from the IRS with Package 1096, use it to transmit paper Forms 1099, 1098, 3921, 3922, 5498, and W-2G to the Internal Revenue Service. If any of the preprinted information is incorrect, make corrections on the form.

If you are not using a preaddressed form, enter the filer's name, address (including room, suite, or other unit number), and TIN in the spaces provided on the form.

When to file. File Form 1096 as follows.

- With Forms 1099, 1098, 3921, 3922, or W-2G, file by March 1, 2010.
- With Forms 5498, 5498-ESA, or 5498-SA, file by June 1, 2010.

Where To File

Send all information returns filed on paper with Form 1096 to the following:

If your principal business, office or agency, or legal residence in the case of an individual, is located in	Use the following three-line address
Alabama, Arizona, Arkansas, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas, Vermont, Virginia, West Virginia	Department of the Treasury Internal Revenue Service Center Austin, TX 73301

For more information and the Privacy Act and Paperwork Reduction Act Notice, see the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

Form **1096** (2009)

DETACH BEFORE MAILING

FORM # L1096

CONFIDENTIAL

LA 00001430

☐ VOID ☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.	1 Rents	OMB No. 1545-0115	Miscellaneous Income
1920 8th Street LLC 4326 8th Street NW Washington, DC 20011 202-882-0808	$	2009	
	2 Royalties $	Form 1099-MISC	
	3 Other income $	4 Federal income tax withheld $	Copy C For Payer or State Copy
PAYER'S federal identification number 26-1504956 / RECIPIENT'S identification number 59-0663819	5 Fishing boat proceeds $	6 Medical and health care payments $	
RECIPIENT'S name, street address (including apt. no.), city, state, and ZIP code Holland & Knight LLP P.O. Box 864084 Orlando FL 32886-4084	7 Nonemployee compensation $	8 Substitute payments in lieu of dividends or interest $	For Privacy Act and Paperwork Reduction Act Notice, see the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.
	9 Payer made direct sales of $5,000 or more of consumer products to a buyer (recipient) for resale ▶ ☐	10 Crop insurance proceeds $	
	11	12	
Account number (see instructions) / 2nd TIN not. ☐	13 Excess golden parachute payments $	14 Gross proceeds paid to an attorney 3143.50 $	
15a Section 409A deferrals $ / 15b Section 409A income $	16 State tax withheld $ $	17 State/Payer's state no.	18 State income $ $

Form **1099-MISC** Department of the Treasury - Internal Revenue Service

☐ VOID ☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.	1 Rents	OMB No. 1545-0115	Miscellaneous Income
1920 8th Street LLC 4326 8th Street NW Washington, DC 20011 202-882-0808	$	2009	
	2 Royalties $	Form 1099-MISC	
	3 Other income $	4 Federal income tax withheld $	Copy C For Payer or State Copy
PAYER'S federal identification number 26-1504956 / RECIPIENT'S identification number 34-1245415	5 Fishing boat proceeds $	6 Medical and health care payments $	
RECIPIENT'S name, street address (including apt. no.), city, state, and ZIP code Roetzel & Andress 22 S. Main Street Akron OH 44308-2098	7 Nonemployee compensation $	8 Substitute payments in lieu of dividends or interest $	For Privacy Act and Paperwork Reduction Act Notice, see the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.
	9 Payer made direct sales of $5,000 or more of consumer products to a buyer (recipient) for resale ▶ ☐	10 Crop insurance proceeds $	
	11	12	
Account number (see instructions) / 2nd TIN not. ☐	13 Excess golden parachute payments $	14 Gross proceeds paid to an attorney 4532.72 $	
15a Section 409A deferrals $ / 15b Section 409A income $	16 State tax withheld $ $	17 State/Payer's state no.	18 State income $ $

Form **1099-MISC** Department of the Treasury - Internal Revenue Service

FORM # LMISCPAY

CONFIDENTIAL LA 00001431

4:53 PM
01/29/10

1920 8th Street LLC
1099 Summary
January through December 2009

	Box 14: Gross Proceeds to Attorney	TOTAL
Holland & Knight LLP 59-0663819	3,143.50	3,143.50
Roetzel & Andress 34-1245415	4,532.72	4,532.72
TOTAL	7,676.22	7,676.22

CONFIDENTIAL

LA 00001432

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017554

4:40 PM
01/29/10

1920 8th Street LLC
1099 Summary
January through December 2009

	Box 7: Nonemployee Compensation	TOTAL
Holland & Knight LLP 59-0663819	3,143.50	3,143.50
Roetzel & Andress 34-1245415	4,532.72	4,532.72
TOTAL	7,676.22	7,676.22

CONFIDENTIAL

LA 00001433

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017555

3:47 PM
01/28/10

1920 8th Street LLC
1099 Summary
January through December 2009

(2) ✓

	Uncategorized	TOTAL	
Corporation Service Company 51-0009810	166.78	166.78	
DC Treasurer (no tax ID on file)	100.00	100.00	
Delaware Secretary of State (no tax ID on file)	500.00	500.00	
Holland & Knight LLP 59-0663619	3,143.50	3,143.50	
Roetzel & Andress 34-1245415	4,532.72	4,532.72	
TLG One Corp. (See Dep Refund) (no tax ID on file)	3,000.00	3,000.00	N/N
TOTAL	**11,443.00**	**11,443.00**	

CONFIDENTIAL

LA 00001434

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017556

*** Slip Sheet ***

Document

Do Not Staple. 6969

Form **1096**

Department of the Treasury
Internal Revenue Service

Annual Summary and Transmittal of U.S. Information Returns

OMB No. 1545-0108

2008

FILER'S name
1920 8th Street LLC

Street address (including room or suite number)
4326 8th Street NW

City, state, and ZIP code
Washington, DC 20011

Name of person to contact	Telephone number
Brad Voight	(202 882-0808
Email address	**Fax number**
Brad@LaKritzAdler.com	(202 882-0809

For Official Use Only

1 Employer identification number	2 Social security number	3 Total number of forms	4 Federal income tax withheld	5 Total amount reported with this Form 1096
26-1504956		4	$	$ 12098.78

6 Enter an "X" in only one box below to indicate the type of form being filed. 7 If this is your **final return**, enter an "X" here . . . ▶ ☐

W-2G 32	1098 81	1098-C 78	1098-E 84	1098-T 83	1099-A 80	1099-B 79	1099-C 85	1099-CAP 73	1099-DIV 91	1099-G 86	1099-H 71	1099-INT 92	1099-LTC 93
☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

1099-MISC 95	1099-OID 96	1099-PATR 97	1099-Q 31	1099-R 98	1099-S 75	1099-SA 94	5498 28	5498-ESA 72	5498-SA 27
☒	☐	☐	☐	☐	☐	☐	☐	☐	☐

Return this entire page to the Internal Revenue Service. Photocopies are not acceptable.

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature ▶ Title ▶ ROBB LAKRITZ MANAGING MEMBER Date ▶ 2/17/09

Instructions

What's new. After December 1, 2008, tape cartridges will no longer be accepted at the Enterprise Computing Center—Martinsburg (ECC—MTB). The only acceptable method of filing information returns with ECC—MTB will be electronically through the FIRE system. See Pub. 1220, Specifications for Filing Forms 1098, 1099, 5498, and W-2G Electronically.

Where to file. The following changes have been made under *Where To File.*

- The general addresses have been changed to a three-line format.
- Form 1098-C is now filed at the Internal Revenue Service Center in Austin, Texas, or Kansas City, Missouri, based on the filer's location.

Purpose of form. Use this form to transmit paper Forms 1099, 1098, 5498, and W-2G to the Internal Revenue Service. Do not use Form 1096 to transmit electronically. For electronic submissions, see Pub. 1220, Specifications for Filing Forms 1098, 1099, 5498, and W-2G Electronically.

Caution: If you are required to file 250 or more information returns of any one type, you must file electronically. If you are required to file electronically but fail to do so, and you do not have an approved waiver, you may be subject to a penalty. For more information, see part F in the 2008 General Instructions for Forms 1099, 1098, 5498, and W-2G.

Who must file. The name, address, and TIN of the filer on this form must be the same as those you enter in the upper left area of Forms 1099, 1098, 5498, or W-2G. A filer is any person or entity who files any of the forms shown in line 6 above.

Preaddressed Form 1096. If you received a preaddressed Form 1096 from the IRS with Package 1096, use it to transmit paper Forms 1099, 1098, 5498, and W-2G to the Internal Revenue Service. If any of the preprinted information is incorrect, make corrections on the form.

If you are not using a preaddressed form, enter the filer's name, address (including room, suite, or other unit number), and TIN in the spaces provided on the form.

When to file. File Form 1096 as follows.

- With Forms 1099, 1098, or W-2G, file by March 2, 2009.
- With Forms 5498, 5498-ESA, or 5498-SA, file by June 1, 2009.

Where To File

Send all information returns filed on paper with Form 1096 to the following:

If your principal business, office or agency, or legal residence in the case of an individual, is located in	Use the following three-line address
Alabama, Arizona, Arkansas, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas, Vermont, Virginia, West Virginia	Department of the Treasury Internal Revenue Service Center Austin, TX 73301

For more information and the Privacy Act and Paperwork Reduction Act Notice, see the 2008 General Instructions for Forms 1099, 1098, 5498, and W-2G.

Form **1096** (2008)

CONFIDENTIAL

LA 00001435

☐ VOID ☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.	1 Rents	OMB No. 1545-0115	Miscellaneous Income
1920 8th Street LLC 4326 8th Street NW Washington, DC 20011 202-882-0808	$	2008	
	2 Royalties $	Form 1099-MISC	
	3 Other income $	4 Federal income tax withheld $	Copy C For Payer or State Copy
PAYER'S federal identification number: 26-1504956 / RECIPIENT'S identification number: 52-1088612	5 Fishing boat proceeds $	6 Medical and health care payments $	
RECIPIENT'S name, street address (including apt. no.), city, state, and ZIP code Reznick Group 7700 Old Georgetown Road Suite 400 Bethesda MD 20814-6224	7 Nonemployee compensation $ 1350.00	8 Substitute payments in lieu of dividends or interest $	For Privacy Act and Paperwork Reduction Act Notice, see the 2008 General Instructions for Forms 1099, 1098, 5498, and W-2G.
	9 Payer made direct sales of $5,000 or more of consumer products to a buyer (recipient) for resale ▶ ☐	10 Crop insurance proceeds $	
	11	12	
Account number (see instructions) / 2nd TIN not. ☐	13 Excess golden parachute payments $	14 Gross proceeds paid to an attorney $	
15a Section 409A deferrals $ / 15b Section 409A income $	16 State tax withheld $ $	17 State/Payer's state no.	18 State income $ $

Form **1099-MISC** Department of the Treasury - Internal Revenue Service

☐ VOID ☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.	1 Rents	OMB No. 1545-0115	Miscellaneous Income
1920 8th Street LLC 4326 8th Street NW Washington, DC 20011 202-882-0808	$	2008	
	2 Royalties $	Form 1099-MISC	
	3 Other income $	4 Federal income tax withheld $	Copy C For Payer or State Copy
PAYER'S federal identification number: 26-1504956 / RECIPIENT'S identification number: 34-1245415	5 Fishing boat proceeds $	6 Medical and health care payments $	
RECIPIENT'S name, street address (including apt. no.), city, state, and ZIP code Roetzel & Andress 22 S. Main Street Akron OH 44308-2098	7 Nonemployee compensation $	8 Substitute payments in lieu of dividends or interest $	For Privacy Act and Paperwork Reduction Act Notice, see the 2008 General Instructions for Forms 1099, 1098, 5498, and W-2G.
	9 Payer made direct sales of $5,000 or more of consumer products to a buyer (recipient) for resale ▶ ☐	10 Crop insurance proceeds $	
	11	12	
Account number (see instructions) / 2nd TIN not. ☐	13 Excess golden parachute payments $	14 Gross proceeds paid to an attorney $ 1830.00	
15a Section 409A deferrals $ / 15b Section 409A income $	16 State tax withheld $ $	17 State/Payer's state no.	18 State income $ $

Form **1099-MISC** Department of the Treasury - Internal Revenue Service

☐ VOID ☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Rents	OMB No. 1545-0115	
1920 8th Street LLC 4326 8th Street NW Washington, DC 20011 202-882-0808		$	2008	**Miscellaneous Income**
		2 Royalties $	Form **1099-MISC**	
		3 Other income $	4 Federal income tax withheld $	**Copy C For Payer or State Copy**
PAYER'S federal identification number 26-1504956	RECIPIENT'S identification number 52-1738875	5 Fishing boat proceeds $	6 Medical and health care payments $	
RECIPIENT'S name, street address (including apt. no.), city, state, and ZIP code Core Group, PC 1010 Wisconsin Ave NW, Suite 405 Washington DC 20007		7 Nonemployee compensation $ 1516.28	8 Substitute payments in lieu of dividends or interest $	For Privacy Act and Paperwork Reduction Act Notice, see the **2008 General Instructions for Forms 1099, 1098, 5498, and W-2G.**
		9 Payer made direct sales of $5,000 or more of consumer products to a buyer (recipient) for resale ▶ ☐	10 Crop insurance proceeds $	
		11	12	
Account number (see instructions)	2nd TIN not. ☐	13 Excess golden parachute payments $	14 Gross proceeds paid to an attorney $	
15a Section 409A deferrals $	15b Section 409A income $	16 State tax withheld $ $	17 State/Payer's state no.	18 State income $ $

Form **1099-MISC** Department of the Treasury - Internal Revenue Service

☐ VOID ☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Rents	OMB No. 1545-0115	
1920 8th Street LLC 4326 8th Street NW Washington, DC 20011 202-882-0808		$	2008	**Miscellaneous Income**
		2 Royalties $	Form **1099-MISC**	
		3 Other income $	4 Federal income tax withheld $	**Copy C For Payer or State Copy**
PAYER'S federal identification number 26-1504956	RECIPIENT'S identification number 59-0669819	5 Fishing boat proceeds $	6 Medical and health care payments $	
RECIPIENT'S name, street address (including apt. no.), city, state, and ZIP code Holland & Knight LLP P.O. Box 864084 Orlando FL 32886-4084		7 Nonemployee compensation $	8 Substitute payments in lieu of dividends or interest $	For Privacy Act and Paperwork Reduction Act Notice, see the **2008 General Instructions for Forms 1099, 1098, 5498, and W-2G.**
		9 Payer made direct sales of $5,000 or more of consumer products to a buyer (recipient) for resale ▶ ☐	10 Crop insurance proceeds $	
		11	12	
Account number (see instructions)	2nd TIN not. ☐	13 Excess golden parachute payments $	14 Gross proceeds paid to an attorney $ 7402.50	
15a Section 409A deferrals $	15b Section 409A income $	16 State tax withheld $ $	17 State/Payer's state no.	18 State income $ $

Form **1099-MISC** Department of the Treasury - Internal Revenue Service

*** Slip Sheet ***

Document

10995 Sheets 1 2

Redacted

1920 8th Street LLC	4	2.			
1920 8th Street Venture LLC	—				

Redacted

*** Slip Sheet ***

Document

FINANCIAL STATEMENTS - 09/30/09

LA 00001439

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017564

*** Slip Sheet ***

Document

	Cash	Depreci	Accd	Trial		Lock	FINALS			
	Flow	Amort	Int	Bal	Adj's	Period	PDF	Hard		
Company	Trial									

Redacted

1920 8th Street LLC	✓	NN	NN	✓	✓	✓	✓	✓		

Redacted

*** Slip Sheet ***

Document

3:45 PM
11/05/09
Accrual Basis

1920 8th Street LLC
Profit & Loss
January through September 2009

	Jan - Sep 09
Ordinary Income/Expense	
Expense	
Professional Fees	
Legal Fees	7,013.50
Total Professional Fees	7,013.50
Taxes	600.00
Total Expense	7,613.50
Net Ordinary Income	-7,613.50
Other Income/Expense	
Other Expense	
Loss on Abandonment of Ground L	206,187.90
Total Other Expense	206,187.90
Net Other Income	-206,187.90
Net Income	**-213,801.40**

CONFIDENTIAL

LA 00001441

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017568

3:45 PM
11/05/09
Accrual Basis

1920 8th Street LLC
Balance Sheet
As of September 30, 2009

		Sep 30, 09
ASSETS		
Current Assets		
Checking/Savings		
BB&T-Checking Acct#5162-740-638		346.67
Total Checking/Savings		346.67
Total Current Assets		346.67
TOTAL ASSETS		**346.67**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
Due Medal Inc		12,000.00
Total Other Current Liabilities		12,000.00
Total Current Liabilities		12,000.00
Total Liabilities		12,000.00
Equity		
Partners capital		
Capital - Joshua A. Adler	214,800.00	
Capital - Robb M. LaKrtiz	214,800.00	
Total Partners capital		429,600.00
Retained Earnings		-227,451.93
Net Income		-213,801.40
Total Equity		-11,653.33
TOTAL LIABILITIES & EQUITY		**346.67**

CONFIDENTIAL

LA 00001442

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017569

3:47 PM
11/05/09

1920 8th Street LLC
Statement of Cash Flows
January through September 2009

	Jan - Sep 09
OPERATING ACTIVITIES	
Net Income	-213,801.40
Adjustments to reconcile Net Income to net cash provided by operations:	
Development at 8th & U Sts NW:Ground Lease Related Legal:Accum Amor...	-15,137.07
Accounts Payable	-829.50
Due Medal Inc	12,000.00
Tenant Security Deps	-3,000.00
Net cash provided by Operating Activities	-220,767.97
INVESTING ACTIVITIES	
Development at 8th & U Sts NW:Arts Credits Related Legal	7,797.00
Development at 8th & U Sts NW:Ground Lease Related Legal	113,527.97
Purchase Option Deposit	100,000.00
Net cash provided by Investing Activities	221,324.97
FINANCING ACTIVITIES	
Partners capital:Capital - Joshua A. Adler	-8,700.00
Partners capital:Capital - Robb M. LaKrtiz	-8,700.00
Net cash provided by Financing Activities	-17,400.00
Net cash increase for period	-16,843.00
Cash at beginning of period	17,189.67
Cash at end of period	346.67

CONFIDENTIAL

LA 00001443

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017570

*** Slip Sheet ***

Document

3:35 PM
10/29/09
Accrual Basis

1920 8th Street LLC
Profit & Loss
January through September 2009

	Jan - Sep 09
Ordinary Income/Expense	
Expense	
Professional Fees	
Legal Fees	7,013.50
Total Professional Fees	7,013.50
Property Taxes	100.00
Taxes	500.00
Total Expense	7,613.50
Net Ordinary Income	-7,613.50
Other Income/Expense	
Other Expense	
Loss on Abandonment of Ground L	206,187.90
Total Other Expense	206,187.90
Net Other Income	-206,187.90
Net Income	**-213,801.40**

CONFIDENTIAL

LA 00001444

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017572

3:35 PM
10/29/09
Accrual Basis

1920 8th Street LLC
Balance Sheet
As of September 30, 2009

	Sep 30, 09
ASSETS	
Current Assets	
Checking/Savings	
BB&T-Checking Acct#5162-740-638	346.67
Total Checking/Savings	346.67
Total Current Assets	346.67
TOTAL ASSETS	**346.67**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due Medal Inc	12,000.00
Total Other Current Liabilities	12,000.00
Total Current Liabilities	12,000.00
Total Liabilities	12,000.00
Equity	
Partners capital	
Capital - Joshua A. Adler	214,800.00
Capital - Robb M. LaKrtiz	214,800.00
Total Partners capital	429,600.00
Retained Earnings	-227,451.93
Net Income	-213,801.40
Total Equity	-11,653.33
TOTAL LIABILITIES & EQUITY	**346.67**

CONFIDENTIAL

LA 00001445

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017573

3:41 PM
11/05/09

1920 8th Street LLC
Statement of Cash Flows
January through September 2009

	Jan - Sep 09
OPERATING ACTIVITIES	
Net Income	-213,801.40 ✓
Adjustments to reconcile Net Income to net cash provided by operations:	
Development at 8th & U Sts NW:Ground Lease Related Legal:Accum Amor...	-15,137.07
Accounts Payable	-829.50
Due Medal Inc	12,000.00
Tenant Security Deps	-3,000.00
Net cash provided by Operating Activities	-220,767.97
INVESTING ACTIVITIES	
Development at 8th & U Sts NW:Arts Credits Related Legal	7,797.00
Development at 8th & U Sts NW:Ground Lease Related Legal	113,527.97
Purchase Option Deposit	100,000.00
Net cash provided by Investing Activities	221,324.97
FINANCING ACTIVITIES	
Partners capital:Capital - Joshua A. Adler	-8,700.00
Partners capital:Capital - Robb M. LaKritz	-8,700.00
Net cash provided by Financing Activities	-17,400.00
Net cash increase for period	-16,843.00
Cash at beginning of period	17,189.67
Cash at end of period	346.67 ✓

CONFIDENTIAL

LA 00001446

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017574

*** Slip Sheet ***

Document

FINANCIAL STATEMENTS 12-31-09

*** Slip Sheet ***

Document

Company	Other Accts	Deprec Amort	Accd Int	Trial Bal	Adjs	Lock Period	FINALS PDF	FINALS Hard		

ADD NEWLY CREATED COMPANIES

Redacted

1920 8th Street LLC	✓	✓	✓	✓	✓	✓	✓	✓		

Redacted

*** Slip Sheet ***

Document

3:06 PM
01/19/10
Accrual Basis

1920 8th Street LLC
Profit & Loss
January through December 2009

	Jan - Dec 09
Ordinary Income/Expense	
Expense	
Professional Fees	
Legal Fees	7,013.50
Total Professional Fees	7,013.50
Taxes	600.00
Total Expense	7,613.50
Net Ordinary Income	-7,613.50
Other Income/Expense	
Other Expense	
Loss on Abandonment of Ground L	206,187.90
Total Other Expense	206,187.90
Net Other Income	-206,187.90
Net Income	**-213,801.40**

CONFIDENTIAL

LA 00001449

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017580

3:07 PM
01/19/10
Accrual Basis

1920 8th Street LLC
Balance Sheet
As of December 31, 2009

		Dec 31, 09
ASSETS		
Current Assets		
Checking/Savings		
BB&T-Checking Acct#5162-740-638		346.67
Total Checking/Savings		346.67
Total Current Assets		346.67
TOTAL ASSETS		**346.67**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
Due Medal Inc		12,000.00
Total Other Current Liabilities		12,000.00
Total Current Liabilities		12,000.00
Total Liabilities		12,000.00
Equity		
Partners capital		
Capital - Joshua A. Adler	214,800.00	
Capital - Robb M. LaKrtiz	214,800.00	
Total Partners capital		429,600.00
Retained Earnings		-227,451.93
Net Income		-213,801.40
Total Equity		-11,653.33
TOTAL LIABILITIES & EQUITY		**346.67**

CONFIDENTIAL

LA 00001450

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017581

3:07 PM
01/19/10

1920 8th Street LLC
Statement of Cash Flows
January through December 2009

	Jan - Dec 09
OPERATING ACTIVITIES	
Net Income	-213,801.40
Adjustments to reconcile Net Income to net cash provided by operations:	
Development at 8th & U Sts NW:Ground Lease Related Legal:Accum Amor...	-15,137.07
Accounts Payable	-829.50
Due Medal Inc	12,000.00
Tenant Security Deps	-3,000.00
Net cash provided by Operating Activities	-220,767.97
INVESTING ACTIVITIES	
Development at 8th & U Sts NW:Arts Credits Related Legal	7,797.00
Development at 8th & U Sts NW:Ground Lease Related Legal	113,527.97
Purchase Option Deposit	100,000.00
Net cash provided by Investing Activities	221,324.97
FINANCING ACTIVITIES	
Partners capital:Capital - Joshua A. Adler	-8,700.00
Partners capital:Capital - Robb M. LaKrtiz	-8,700.00
Net cash provided by Financing Activities	-17,400.00
Net cash increase for period	-16,843.00
Cash at beginning of period	17,189.67
Cash at end of period	346.67

CONFIDENTIAL

LA 00001451

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017582

*** Slip Sheet ***

Document

FINANCIAL STMT - 06/30/09

CONFIDENTIAL

LA 00001452

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017584

*** Slip Sheet ***

Document

12:03 PM
08/13/09
Accrual Basis

1920 8th Street LLC
Profit & Loss
January through June 2009

	Jan - Jun 09
Ordinary Income/Expense	
Expense	
Professional Fees	
Legal Fees	6,576.30
Total Professional Fees	6,576.30
Taxes	500.00
Total Expense	7,076.30
Net Ordinary Income	-7,076.30
Other Income/Expense	
Other Expense	
Loss on Abandonment of Ground L	206,187.90
Total Other Expense	206,187.90
Net Other Income	-206,187.90
Net Income	-213,264.20

CONFIDENTIAL

LA 00001453

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017586

12:03 PM
08/13/09
Accrual Basis

1920 8th Street LLC
Balance Sheet
As of June 30, 2009

		Jun 30, 09
ASSETS		
Current Assets		
Checking/Savings		
BB&T-Checking Acct#5162-740-638		50.65
Total Checking/Savings		50.65
Total Current Assets		50.65
TOTAL ASSETS		**50.65**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		166.78
Total Accounts Payable		166.78
Other Current Liabilities		
Due Medal Inc		12,000.00
Total Other Current Liabilities		12,000.00
Total Current Liabilities		12,166.78
Total Liabilities		12,166.78
Equity		
Partners capital		
Capital - Joshua A. Adler	214,300.00	
Capital - Robb M. LaKrtiz	214,300.00	
Total Partners capital		428,600.00
Retained Earnings		-227,451.93
Net Income		-213,264.20
Total Equity		-12,116.13
TOTAL LIABILITIES & EQUITY		**50.65**

CONFIDENTIAL

LA 00001454

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017587

12:03 PM

08/13/09

1920 8th Street LLC
Statement of Cash Flows
January through June 2009

	Jan - Jun 09
OPERATING ACTIVITIES	
Net Income	-213,264.20
Adjustments to reconcile Net Income to net cash provided by operations:	
Development at 8th & U Sts NW:Ground Lease Related Legal:Accum Amor...	-15,137.07
Accounts Payable	-662.72
Due Medal Inc	12,000.00
Tenant Security Deps	-3,000.00
Net cash provided by Operating Activities	-220,063.99
INVESTING ACTIVITIES	
Development at 8th & U Sts NW:Arts Credits Related Legal	7,797.00
Development at 8th & U Sts NW:Ground Lease Related Legal	113,527.97
Purchase Option Deposit	100,000.00
Net cash provided by Investing Activities	221,324.97
FINANCING ACTIVITIES	
Partners capital:Capital - Joshua A. Adler	-9,200.00
Partners capital:Capital - Robb M. LaKrtiz	-9,200.00
Net cash provided by Financing Activities	-18,400.00
Net cash increase for period	-17,139.02
Cash at beginning of period	17,189.67
Cash at end of period	50.65

CONFIDENTIAL

LA 00001455

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017588

*** Slip Sheet ***

Document

12:18 PM
07/17/09
Accrual Basis

1920 8th Street LLC
Profit & Loss
January through June 2009

	Jan - Jun 09
Ordinary Income/Expense	
Expense	
Professional Fees	
Legal Fees	6,409.52
Total Professional Fees	6,409.52
Taxes	500.00
Total Expense	6,909.52
Net Ordinary Income	-6,909.52
Other Income/Expense	
Other Expense	
Loss on Abandonment of Ground L	206,187.90
Total Other Expense	206,187.90
Net Other Income	-206,187.90
Net Income	-213,097.42

CONFIDENTIAL

LA 00001456

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017590

12:18 PM
07/17/09
Accrual Basis

1920 8th Street LLC
Balance Sheet
As of June 30, 2009

	Jun 30, 09
ASSETS	
Current Assets	
Checking/Savings	
BB&T-Checking Acct#5162-740-638	50.65
Total Checking/Savings	50.65
Total Current Assets	50.65
TOTAL ASSETS	**50.65**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due Medal Inc	12,000.00
Total Other Current Liabilities	12,000.00
Total Current Liabilities	12,000.00
Total Liabilities	12,000.00
Equity	
Partners capital	
Capital - Joshua A. Adler	214,300.00
Capital - Robb M. LaKrtiz	214,300.00
Total Partners capital	428,600.00
Retained Earnings	-227,451.93
Net Income	-213,097.42
Total Equity	-11,949.35
TOTAL LIABILITIES & EQUITY	**50.65**

CONFIDENTIAL

LA 00001457

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017591

12:18 PM
07/17/09

1920 8th Street LLC
Statement of Cash Flows
January through June 2009

	Jan - Jun 09
OPERATING ACTIVITIES	
Net Income	-213,097.42
Adjustments to reconcile Net Income to net cash provided by operations:	
Development at 8th & U Sts NW:Ground Lease Related Legal:Accum Amor...	-15,137.07
Accounts Payable	-829.50
Due Medal Inc	12,000.00
Tenant Security Deps	-3,000.00
Net cash provided by Operating Activities	-220,063.99
INVESTING ACTIVITIES	
Development at 8th & U Sts NW:Arts Credits Related Legal	7,797.00
Development at 8th & U Sts NW:Ground Lease Related Legal	113,527.97
Purchase Option Deposit	100,000.00
Net cash provided by Investing Activities	221,324.97
FINANCING ACTIVITIES	
Partners capital:Capital - Joshua A. Adler	-9,200.00
Partners capital:Capital - Robb M. LaKrtiz	-9,200.00
Net cash provided by Financing Activities	-18,400.00
Net cash increase for period	-17,139.02
Cash at beginning of period	17,189.67
Cash at end of period	50.65

CONFIDENTIAL

LA 00001458

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017592

*** Slip Sheet ***

Document

	Depreciation Amount	Accd Int	Trial Bal	Adjs	Lock Period	FINALS PDF	FINALS Hard		
Company									

Redacted

1920 8th Street LLC	N/N	N/N	✓	✓	✓	✓	✓		

Redacted

*** Slip Sheet ***

Document

FINANCIAL STATS - 3-31-09

*** Slip Sheet ***

Document

2:58 PM
05/12/09
Accrual Basis

1920 8th Street LLC
Profit & Loss
January through March 2009

	Jan - Mar 09
Ordinary Income/Expense	
Expense	
Professional Fees	
Legal Fees	3,706.40
Total Professional Fees	3,706.40
Taxes	500.00
Total Expense	4,206.40
Net Ordinary Income	-4,206.40
Other Income/Expense	
Other Expense	
Loss on Abandonment of Ground L	206,187.90
Total Other Expense	206,187.90
Net Other Income	-206,187.90
Net Income	-210,394.30

CONFIDENTIAL

LA 00001461

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017598

2:58 PM

05/12/09

Accrual Basis

1920 8th Street LLC
Balance Sheet
As of March 31, 2009

		Mar 31, 09
ASSETS		
Current Assets		
Checking/Savings		
BB&T-Checking Acct#5162-740-638		2,153.77
Total Checking/Savings		2,153.77
Total Current Assets		2,153.77
TOTAL ASSETS		**2,153.77**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
Due Medal Inc		9,000.00
Total Other Current Liabilities		9,000.00
Total Current Liabilities		9,000.00
Long Term Liabilities		
Tenant Security Deps		3,000.00
Total Long Term Liabilities		3,000.00
Total Liabilities		12,000.00
Equity		
Partners capital		
Capital - Joshua A. Adler	214,000.00	
Capital - Robb M. LaKrtiz	214,000.00	
Total Partners capital		428,000.00
Retained Earnings		-227,451.93
Net Income		-210,394.30
Total Equity		-9,846.23
TOTAL LIABILITIES & EQUITY		**2,153.77**

CONFIDENTIAL

LA 00001462

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017599

2:58 PM

05/12/09

1920 8th Street LLC
Statement of Cash Flows
January through March 2009

	Jan - Mar 09
OPERATING ACTIVITIES	
Net income	-210,394.30
Adjustments to reconcile Net Income to net cash provided by operations:	
Development at 8th & U Sts NW:Ground Lease Related Legal:Accum Amor...	-15,137.07
Accounts Payable	-829.50
Due Medal Inc	9,000.00
Net cash provided by Operating Activities	-217,360.87
INVESTING ACTIVITIES	
Development at 8th & U Sts NW:Arts Credits Related Legal	7,797.00
Development at 8th & U Sts NW:Ground Lease Related Legal	113,527.97
Purchase Option Deposit	100,000.00
Net cash provided by Investing Activities	221,324.97
FINANCING ACTIVITIES	
Partners capital:Capital - Joshua A. Adler	-9,500.00
Partners capital:Capital - Robb M. LaKrtiz	-9,500.00
Net cash provided by Financing Activities	-19,000.00
Net cash increase for period	-15,035.90
Cash at beginning of period	17,189.67
Cash at end of period	2,153.77

CONFIDENTIAL

LA 00001463

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017600

*** Slip Sheet ***

Document

	Deprec Amort	Acad Int.	Trial Bal	Adjs	Loch Pawd	FINALS PDF	Hard		
Redacted									
1920 8th Street Venture LLC	X	X	X	X	X	X	X		
Redacted									

*** Slip Sheet ***

Document

7:23 AM

05/12/09

Accrual Basis

1920 8th Street LLC
Profit & Loss
January through March 2009

	Jan - Mar 09
Ordinary Income/Expense	
Expense	
Professional Fees	
Legal Fees	3,706.40
Total Professional Fees	3,706.40
Taxes	500.00
Total Expense	4,206.40
Net Ordinary Income	-4,206.40
Other Income/Expense	
Other Expense	
Loss on Abandonment of Ground L	206,187.90
Total Other Expense	206,187.90
Net Other Income	-206,187.90
Net Income	-210,394.30

CONFIDENTIAL

LA 00001465

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017604

7:23 AM

05/12/09

Accrual Basis

1920 8th Street LLC
Balance Sheet
As of March 31, 2009

	Mar 31, 09	
ASSETS		
Current Assets		
Checking/Savings		
BB&T-Checking Acct#5162-740-638	2,153.77	
Total Checking/Savings	2,153.77	
Total Current Assets	2,153.77	
TOTAL ASSETS	2,153.77	
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
Due Medal Inc	9,000.00	
Total Other Current Liabilities	9,000.00	
Total Current Liabilities	9,000.00	
Long Term Liabilities		
Tenant Security Deps	3,000.00	
Total Long Term Liabilities	3,000.00	
Total Liabilities	12,000.00	
Equity		
Partners capital		
Capital - Joshua A. Adler	214,000.00	
Capital - Robb M. LaKrtiz	214,000.00	
Total Partners capital	428,000.00	
Retained Earnings	-227,451.93	
Net Income	-210,394.30	
Total Equity	-9,846.23	
TOTAL LIABILITIES & EQUITY	2,153.77	

CONFIDENTIAL

LA 00001466

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017605

7:23 AM

05/12/09

1920 8th Street LLC
Statement of Cash Flows
January through March 2009

	Jan - Mar 09
OPERATING ACTIVITIES	
Net Income	-210,394.30
Adjustments to reconcile Net Income to net cash provided by operations:	
Development at 8th & U Sts NW:Ground Lease Related Legal:Accum Amor...	-15,137.07
Accounts Payable	-829.50
Due Medal Inc	9,000.00
Net cash provided by Operating Activities	-217,360.87
INVESTING ACTIVITIES	
Development at 8th & U Sts NW:Arts Credits Related Legal	7,797.00
Development at 8th & U Sts NW:Ground Lease Related Legal	113,527.97
Purchase Option Deposit	100,000.00
Net cash provided by Investing Activities	221,324.97
FINANCING ACTIVITIES	
Partners capital:Capital - Joshua A. Adler	-9,500.00
Partners capital:Capital - Robb M. LaKrtiz	-9,500.00
Net cash provided by Financing Activities	-19,000.00
Net cash increase for period	-15,035.90
Cash at beginning of period	17,189.67
Cash at end of period	2,153.77

CONFIDENTIAL

LA 00001467

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017606

*** Slip Sheet ***

Document

FINANCIAL STATEMENTS - 02/28/09

LA 00001468

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017608

*** Slip Sheet ***

Document

3:16 PM
03/11/09
Accrual Basis

1920 8th Street LLC
Profit & Loss
March 2008 through February 2009

		Mar '08 - Feb 09
Ordinary Income/Expense		
Income		
Rent Income		30,000.00
Total Income		30,000.00
Gross Profit		30,000.00
Expense		
Contributions		200.00
Ground Lease Legal Amort		11,352.80
Ground Lease Rent		37,500.00
Lease Subordination Fees		50,000.00
Licenses and Permits		850.00
Professional Fees		
Accounting	1,350.00	
Legal Fees	4,886.72	
Total Professional Fees		6,236.72
Property Taxes		58,146.80
Property/Liability Insurance		14.30
Taxes		400.00
Total Expense		164,700.62
Net Ordinary Income		-134,700.62
Other Income/Expense		
Other Expense		
Loss on Abandonment of Ground L		206,187.90
Total Other Expense		206,187.90
Net Other Income		-206,187.90
Net Income		-340,888.52

CONFIDENTIAL

LA 00001469

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017610

1920 8th Street LLC
Balance Sheet
As of February 28, 2009

		Feb 28, 09
ASSETS		
Current Assets		
Checking/Savings		
BB&T-Checking Acct#5162-740-638		3,360.17
Total Checking/Savings		3,360.17
Total Current Assets		3,360.17
TOTAL ASSETS		**3,360.17**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		2,372.00
Total Accounts Payable		2,372.00
Other Current Liabilities		
Due Medal Inc		6,000.00
Total Other Current Liabilities		6,000.00
Total Current Liabilities		8,372.00
Long Term Liabilities		
Tenant Security Deps		3,000.00
Total Long Term Liabilities		3,000.00
Total Liabilities		11,372.00
Equity		
Partners capital		
Capital - Joshua A. Adler	214,000.00	
Capital - Robb M. LaKrtiz	214,000.00	
Total Partners capital		428,000.00
Retained Earnings		-227,451.93
Net Income		-208,559.90
Total Equity		-8,011.83
TOTAL LIABILITIES & EQUITY		**3,360.17**

CONFIDENTIAL

LA 00001470

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017611

1920 8th Street LLC
Statement of Cash Flows
March 2008 through February 2009

	Mar '08 - Feb 09
OPERATING ACTIVITIES	
Net Income	-340,888.52
Adjustments to reconcile Net Income to net cash provided by operations:	
Development at 8th & U Sts NW:Ground Lease Related Legal:Accum Amor...	-3,784.27
Accounts Payable	855.72
Due Medal Inc	6,000.00
Net cash provided by Operating Activities	-337,817.07
INVESTING ACTIVITIES	
Development at 8th & U Sts NW:Ground Lease Related Legal	113,527.97
Purchase Option Deposit	100,000.00
Net cash provided by Investing Activities	213,527.97
FINANCING ACTIVITIES	
Due to:LaKritz Adler Development LLC	-7,000.00
Partners capital:Capital - Joshua A. Adler	64,000.00
Partners capital:Capital - Robb M. LaKrtiz	64,000.00
Net cash provided by Financing Activities	121,000.00
Net cash increase for period	-3,289.10
Cash at beginning of period	6,649.27
Cash at end of period	3,360.17

CONFIDENTIAL

LA 00001471

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017612

*** Slip Sheet ***

Document

	Acid Int	Trial Bal	Adjs	Print	
Redacted					
1920 8th Street LLC	X	✓	✓	X	
1920 8th Street Venture LLC	X	X	X	X	
Redacted					

CONFIDENTIAL

LA 00001472

*** Slip Sheet ***

Document

11:49 AM
03/10/09
Accrual Basis

1920 8th Street LLC
Balance Sheet
As of March 10, 2009

		Mar 10, 09
ASSETS		
Current Assets		
Checking/Savings		
BB&T-Checking Acct#5162-740-638		3,302.17
Total Checking/Savings		3,302.17
Total Current Assets		3,302.17
Other Assets		
Development at 8th & U Sts NW		
Arts Credits Related Legal	7,797.00	
Ground Lease Related Legal		
Accum Amort-Ground Lease Legal	-15,137.07	
Ground Lease Related Legal - Other	113,527.97	
Total Ground Lease Related Legal	98,390.90	
Total Development at 8th & U Sts NW		106,187.90
Purchase Option Deposit		100,000.00
Total Other Assets		206,187.90
TOTAL ASSETS		**209,490.07**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		2,314.00
Total Accounts Payable		2,314.00
Other Current Liabilities		
Due Medal Inc		6,000.00
Total Other Current Liabilities		6,000.00
Total Current Liabilities		8,314.00
Long Term Liabilities		
Tenant Security Deps		3,000.00
Total Long Term Liabilities		3,000.00
Total Liabilities		11,314.00
Equity		
Partners capital		
Capital - Joshua A. Adler	214,000.00	
Capital - Robb M. LaKritz	214,000.00	
Total Partners capital		428,000.00
Retained Earnings		-227,451.93
Net Income		-2,372.00
Total Equity		198,176.07
TOTAL LIABILITIES & EQUITY		**209,490.07**

CONFIDENTIAL

LA 00001473

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017616

*** Slip Sheet ***

Document

FINANCIALS - 12/31/08

CONFIDENTIAL

LA 00001474

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017618

*** Slip Sheet ***

Document

5:25 PM
01/28/09
Accrual Basis

1920 8th Street LLC
Balance Sheet
As of December 31, 2008

		Dec 31, 08
ASSETS		
Current Assets		
Checking/Savings		
BB&T-Checking Acct#5162-740-638		17,189.67
Total Checking/Savings		17,189.67
Total Current Assets		17,189.67
Other Assets		
Development at 8th & U Sts NW		
Arts Credits Related Legal	7,797.00	
Ground Lease Related Legal		
Accum Amort-Ground Lease Legal	-15,137.07	
Ground Lease Related Legal - Other	113,527.97	
Total Ground Lease Related Legal	98,390.90	
Total Development at 8th & U Sts NW		106,187.90
Purchase Option Deposit		100,000.00
Total Other Assets		206,187.90
TOTAL ASSETS		**223,377.57**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		829.50
Total Accounts Payable		829.50
Total Current Liabilities		829.50
Long Term Liabilities		
Tenant Security Deps		3,000.00
Total Long Term Liabilities		3,000.00
Total Liabilities		3,829.50
Equity		
Partners capital		
Capital - Joshua A. Adler	223,500.00	
Capital - Robb M. LaKrtiz	223,500.00	
Total Partners capital		447,000.00
Retained Earnings		-88,623.31
Net Income		-138,828.62
Total Equity		219,548.07
TOTAL LIABILITIES & EQUITY		**223,377.57**

CONFIDENTIAL

LA 00001475

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017620

5:24 PM
01/28/09
Accrual Basis

1920 8th Street LLC
Profit & Loss
January through December 2008

		Jan - Dec 08
Ordinary Income/Expense		
Income		
Rent Income		36,000.00
Total Income		36,000.00
Gross Profit		36,000.00
Expense		
Contributions		200.00
Ground Lease Legal Amort		11,352.80
Ground Lease Rent		37,500.00
Lease Subordination Fees		62,500.00
Licenses and Permits		850.00
Professional Fees		
Accounting	1,350.00	
Legal Fees	2,514.72	
Total Professional Fees		3,864.72
Property Taxes		58,146.80
Property/Liability Insurance		14.30
Taxes		400.00
Total Expense		174,828.62
Net Ordinary Income		-138,828.62
Net Income		-138,828.62

CONFIDENTIAL

LA 00001476

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017621

5:26 PM
01/28/09

1920 8th Street LLC
Statement of Cash Flows
January through December 2008

	Jan - Dec 08
OPERATING ACTIVITIES	
Net Income	-138,828.62
Adjustments to reconcile Net Income to net cash provided by operations:	
Development at 8th & U Sts NW:Ground Lease Related Legal:Accum Amort-...	11,352.80
Accounts Payable	-783.74
Net cash provided by Operating Activities	-128,259.56
INVESTING ACTIVITIES	
Development at 8th & U Sts NW:Arts Credits Related Legal	-7,797.00
Net cash provided by Investing Activities	-7,797.00
FINANCING ACTIVITIES	
Partners capital:Capital - Joshua A. Adler	73,500.00
Partners capital:Capital - Robb M. LaKritz	73,500.00
Net cash provided by Financing Activities	147,000.00
Net cash increase for period	10,943.44
Cash at beginning of period	6,246.23
Cash at end of period	17,189.67

CONFIDENTIAL

LA 00001477

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017622

*** Slip Sheet ***

Document

	Deprec/ Amort	Acid Int.	Trial Bal	Adjs	Lock Period	FINALS Hard	PDF		
Redacted									
1920 8th Street LLC	✓	N/N	X	✓	✓		✓		
Redacted									

*** Slip Sheet ***

Document

3:24 PM
01/16/09
Accrual Basis

1920 8th Street LLC
Profit & Loss
January through December 2008

	Jan - Dec 08
Ordinary Income/Expense	
Income	
Rent Income	36,000.00
Total Income	36,000.00
Gross Profit	36,000.00
Expense	
Contributions	200.00
Ground Lease Legal Amort	11,352.80
Ground Lease Rent	37,500.00
Lease Subordination Fees	62,500.00
Licenses and Permits	850.00
Professional Fees	
Accounting	1,350.00
Legal Fees	2,514.72
Total Professional Fees	3,864.72
Property Taxes	58,146.80
Property/Liability Insurance	14.30
Taxes	400.00
Total Expense	174,828.62
Net Ordinary Income	-138,828.62
Net Income	-138,828.62

CONFIDENTIAL

LA 00001479

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017626

3:24 PM
01/16/09
Accrual Basis

1920 8th Street LLC
Balance Sheet
As of December 31, 2008

		Dec 31, 08
ASSETS		
Current Assets		
Checking/Savings		
BB&T-Checking Acct#5162-740-638		17,189.67
Total Checking/Savings		17,189.67
Total Current Assets		17,189.67
Other Assets		
Development at 8th & U Sts NW		
Arts Credits Related Legal	7,797.00	
Ground Lease Related Legal		
Accum Amort-Ground Lease Legal	-15,137.07	
Ground Lease Related Legal - Other	113,527.97	
Total Ground Lease Related Legal		98,390.90
Total Development at 8th & U Sts NW		106,187.90
Purchase Option Deposit		100,000.00
Total Other Assets		206,187.90
TOTAL ASSETS		**223,377.57**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		829.50
Total Accounts Payable		829.50
Total Current Liabilities		829.50
Long Term Liabilities		
Tenant Security Deps		3,000.00
Total Long Term Liabilities		3,000.00
Total Liabilities		3,829.50
Equity		
Partners capital		
Capital - Joshua A. Adler	223,500.00	
Capital - Robb M. LaKrtiz	223,500.00	
Total Partners capital		447,000.00
Retained Earnings		-88,623.31
Net Income		-138,828.62
Total Equity		219,548.07
TOTAL LIABILITIES & EQUITY		**223,377.57**

CONFIDENTIAL

LA 00001480

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017627

1920 8th Street LLC
Statement of Cash Flows
January through December 2008

	Jan - Dec 08
OPERATING ACTIVITIES	
Net Income	-138,828.62
Adjustments to reconcile Net Income to net cash provided by operations:	
Development at 8th & U Sts NW:Ground Lease Related Legal:Accum Amor...	11,352.80
Accounts Payable	-783.74
Net cash provided by Operating Activities	-128,259.56
INVESTING ACTIVITIES	
Development at 8th & U Sts NW:Arts Credits Related Legal	-7,797.00
Net cash provided by Investing Activities	-7,797.00
FINANCING ACTIVITIES	
Partners capital:Capital - Joshua A. Adler	73,500.00
Partners capital:Capital - Robb M. LaKrtiz	73,500.00
Net cash provided by Financing Activities	147,000.00
Net cash increase for period	10,943.44
Cash at beginning of period	6,246.23
Cash at end of period	17,189.67

CONFIDENTIAL

LA 00001481

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017628

*** Slip Sheet ***

Document

FINANCIALS - 03/31/08

CONFIDENTIAL

LA 00001482

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017630

*** Slip Sheet ***

Document

PERSONAL FINANCIAL STATEMENT

AS OF: March 31, 2008

Name: Joshua A. Adler Date of Birth 06/11/73

Redacted

CONFIDENTIAL

LA 00001483

Name: Joshua A. Adler Date: 03/31/2008

Redacted

Personal Financial Statement

Name: Joshua A. Adler Date: 03/31/2008

Redacted

Schedule 7 - PARTIALLY OWNED REAL ESTATE

LOCATION OR ADDRESS DESCRIPTION OF PROPERTY	TITLE IN THE NAME OF	COST/ YR ACQUIRED	MARKET VALUE	MORTGAGE BALANCE	% of Ownership	Ownership Amount
Redacted						
1920 8th St NW (Land for Development) Leasehold plus Purchase Option	1920 8th Street LLC	$272,237 2007	$3,000,000	$0	50.00%	$1,500,000

Redacted

Name: Joshua A. Adler Date: 03/31/2008

Redacted

*** Slip Sheet ***

Document

4:52 PM
04/28/08
Accrual Basis

1920 8th Street LLC
Profit & Loss
January through March 2008

	Jan - Mar 08
Ordinary Income/Expense	
Income	
Rent Income	9,000.00
Total Income	9,000.00
Gross Profit	9,000.00
Expense	
Ground Lease Legal Amort	2,838.20
Lease Subordination Fees	18,750.00
Professional Fees	
Legal Fees	217.50
Total Professional Fees	217.50
Property Taxes	29,073.40
Total Expense	50,879.10
Net Ordinary Income	-41,879.10
Net Income	**-41,879.10**

CONFIDENTIAL

LA 00001487

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017637

4:52 PM
04/28/08
Accrual Basis

1920 8th Street LLC
Balance Sheet
As of March 31, 2008

		Mar 31, 08
ASSETS		
Current Assets		
Checking/Savings		
BB&T-Checking Acct#5162-740-638		10,809.59
Total Checking/Savings		10,809.59
Total Current Assets		10,809.59
Other Assets		
Development at 8th & U Sts NW		
Ground Lease Related Legal		
Accum Amort-Ground Lease Legal	-6,622.47	
Ground Lease Related Legal - Other	113,527.97	
Total Ground Lease Related Legal	106,905.50	
Total Development at 8th & U Sts NW		106,905.50
Purchase Option Deposit		100,000.00
Total Other Assets		206,905.50
TOTAL ASSETS		**217,715.09**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		217.50
Total Accounts Payable		217.50
Total Current Liabilities		217.50
Long Term Liabilities		
Tenant Security Deps		3,000.00
Total Long Term Liabilities		3,000.00
Total Liabilities		3,217.50
Equity		
Partners capital		
Capital - Joshua A. Adler	172,500.00	
Capital - Robb M. LaKrtiz	172,500.00	
Total Partners capital		345,000.00
Retained Earnings		-88,623.31
Net Income		-41,879.10
Total Equity		214,497.59
TOTAL LIABILITIES & EQUITY		**217,715.09**

CONFIDENTIAL

LA 00001488

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017638

*** Slip Sheet ***

Document

	Apr Rent	Bank Recs	Deprec Amort	Acc 2' Interest	Trial Balance	Loch Period	FINAL Hand	FINAL PDF

Redacted

1920 8th Street LLC	✓	BBT ✓	✓	None	✓	✓	✓	✓
1920 8th Street Venture LLC	X	X	X	X	X	X	X	X

Redacted

*** Slip Sheet ***

Document

4:55 PM
04/23/08
Accrual Basis

1920 8th Street LLC
Profit & Loss
January through March 2008

	Jan - Mar 08
Ordinary Income/Expense	
Income	
Rent Income	9,000.00
Total Income	9,000.00
Gross Profit	9,000.00
Expense	
Ground Lease Legal Amort	2,838.20
Lease Subordination Fees	18,750.00
Professional Fees	
Legal Fees	217.50
Total Professional Fees	217.50
Property Taxes	29,073.40
Total Expense	50,879.10
Net Ordinary Income	-41,879.10
Net Income	-41,879.10

CONFIDENTIAL

LA 00001490

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017642

4:56 PM
04/23/08
Accrual Basis

1920 8th Street LLC
Balance Sheet
As of March 31, 2008

		Mar 31, 08
ASSETS		
Current Assets		
Checking/Savings		
BB&T-Checking Acct#5162-740-638		10,809.59
Total Checking/Savings		10,809.59
Total Current Assets		10,809.59
Other Assets		
Development at 8th & U Sts NW		
Ground Lease Related Legal		
Accum Amort-Ground Lease Legal	-6,622.47	
Ground Lease Related Legal - Other	113,527.97	
Total Ground Lease Related Legal		106,905.50
Total Development at 8th & U Sts NW		106,905.50
Purchase Option Deposit		100,000.00
Total Other Assets		206,905.50
TOTAL ASSETS		**217,715.09**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		217.50
Total Accounts Payable		217.50
Total Current Liabilities		217.50
Long Term Liabilities		
Tenant Security Deps		3,000.00
Total Long Term Liabilities		3,000.00
Total Liabilities		3,217.50
Equity		
Partners capital		
Capital - Joshua A. Adler	172,500.00	
Capital - Robb M. LaKritz	172,500.00	
Total Partners capital		345,000.00
Retained Earnings		-88,623.31
Net Income		-41,879.10
Total Equity		214,497.59
TOTAL LIABILITIES & EQUITY		**217,715.09**

CONFIDENTIAL

LA 00001491

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017643

*** Slip Sheet ***

Document

PERSONAL FINANCIAL STATEMENT

AS OF: March 31, 2008

Name: Robb M. LaKritz Date of Birth 07/08/72

Redacted

CONFIDENTIAL LA 00001492

Name: Robb M. LaKritz Date: 03/31/2008

Redacted

Personal Financial Statement

Name: Robb M. LaKritz Date: 03/31/2008

Redacted

Schedule 7 - PARTIALLY OWNED REAL ESTATE

LOCATION OR ADDRESS DESCRIPTION OF PROPERTY	TITLE IN THE NAME OF	COST/ YR ACQUIRED	MARKET VALUE	MORTGAGE BALANCE	% of Ownership	Ownership Amount
Redacted						
1920 8th St NW (Land for Development) Leasehold plus Purchase Option	1920 8th Street LLC	$272,237 2007	$3,000,000	$0	50.00%	$1,500,000

Redacted

Name: Robb M. LaKritz Date: 03/31/2008

Redacted

*** Slip Sheet ***

Document

PERSONAL FINANCIAL STATEMENT

AS OF: March 31, 2008

Name: Joshua A. Adler Date of Birth 06/11/73

Redacted

CONFIDENTIAL LA 00001496

Name: Joshua A. Adler Date: 03/31/2008

Redacted

Personal Financial Statement

Name: Joshua A. Adler Date: 03/31/2008

Redacted

Schedule 7 - PARTIALLY OWNED REAL ESTATE

LOCATION OR ADDRESS DESCRIPTION OF PROPERTY	TITLE IN THE NAME OF	COST/ YR ACQUIRED	MARKET VALUE	MORTGAGE BALANCE	% of Ownership	Ownership Amount
Redacted						
Retail & Office Redevelopment Owner						
1920 8th St NW (Land for Development) Leasehold plus Purchase Option	1920 8th Street LLC	$272,237 2007	$3,000,000	$0	50.00%	$1,500,000

Redacted

Name: Joshua A. Adler Date: 03/31/2008

Redacted

*** Slip Sheet ***

Document

Park Road

2010 BANKS

CONFIDENTIAL

LA 00001500

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017655

*** Slip Sheet ***

Document

2/28 3/31

LaKritz Adler		Bank Accounts
Bank	Account Name	Account Number

Redacted

BB&T	1920 8th Street LLC	5162-778-635	X	X

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017657

2/28 3/31

LaKritz Adler		Bank Accounts
Bank	Account Name	Account Number

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017658

*** Slip Sheet ***

Document

BB&T

410-08-01-00 12208 0 C 001 26 50 003
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

Your account statement

For 01/29/2010

Contact us

BBT.com

(800) BANK-BBT or
(800) 226-5228

BB&T Ranks Highest in Primary Mortgage Sales Customer Satisfaction According to J.D. Power and Associates

Did you know that J.D. Power and Associates ranked BB&T "Highest in Customer Satisfaction with Primary Mortgage Sales" in the 2009 Primary Mortgage Origination Study℠? At BB&T we offer a wide variety of personal loan products and we invite you to experience our exceptional client service. We're here to meet your financial services needs. Just visit your local financial center or BBT.com/jdpower to find out more.

Loans are subject to credit approval. BB&T is an Equal Housing Lender and Member FDIC.

For J.D. Power and Associates award information visit JDPower.com.

■ FREE BUSINESS CHECKING 0005162778635

Account summary

Your previous balance as of 12/31/2009	$346.67
Checks	- 0.00
Other withdrawals, debits and service charges	- 0.00
Deposits, credits and interest	+ 0.00
Your new balance as of 01/29/2010	= $346.67

Questions, comments or errors?

Member FDIC

For general questions/comments or to report errors about your statement or account, please call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228) 24 hours a day, 7 days a week. BB&T Phone24 Client Service Associates are available to assist you from 6 a.m. until midnight ET. You may also contact your local BB&T financial center. To locate a BB&T financial center in your area, please visit BBT.com.

Electronic fund transfers

In case of errors or questions about your electronic fund transfers, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, contact us as soon as possible. You may write to us at the following address:

BB&T Liability Risk Management
P.O. Box 996
Wilson, NC 27894-0996

You may also call BB&T Phone24 at 1-800-BANK BBT or visit your local BB&T financial center. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. Please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

We will investigate your complaint/concern and promptly take corrective action. If we take more than ten (10) business days to complete our investigation, your account will be credited for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occurred. This will provide you with access to your funds during the time it takes us to complete our investigation. You may have no liability for unauthorized Check Card purchases, subject to the terms and conditions in the current BB&T Electronic Fund Transfer Agreement and Disclosures. If you have arranged for direct deposit(s) to your account, please call BB&T Phone24 at 1-800-BANK BBT to verify that a deposit has been made.

If your periodic statement shows transfers that you did not make, tell us at once. If you do not inform us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days. This will occur if we can prove that we could have stopped someone from taking the money if you had informed us in time. If a good reason kept you from informing us, we will extend the time periods.

Important information about your Constant Credit Account

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average daily balance." The **FINANCE CHARGE** is calculated by applying the "Daily periodic rate" to the "Average daily balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average daily balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the daily balance. Then we add all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average daily balance."

Billing rights summary

In case of errors or questions about your Constant Credit statement

If you think your statement is incorrect, or if you need more information about a Constant Credit transaction on your statement, please call 1-800-476-4228 or visit your local BB&T financial center. To dispute a payment, please write to us on a separate sheet of paper at the following address:

BankCard Services Division
P.O. Box 200
Wilson, NC 27894-0200

We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

During our investigation process, you are not responsible for paying any amount in question; you are, however, obligated to pay the items on your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

Mail-in deposits

If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

Change of address

If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).

How to Reconcile Your Account	Outstanding Checks and Other Debits (Section A)			
	Date/Check #	Amount	Date/Check #	Amount
1. List the new balance of your account from your latest statement here:				
2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here:				
3. Subtract the amount in line 2 above from the amount in line 1 above and enter the total here:				
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here:				
	Outstanding Deposits and Other Credits (Section B)			
5. Add the amount in line 4 to the amount in line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.	Date/Type	Amount	Date/Type	Amount
For more information, please contact your local BB&T relationship manager, visit BBT.com, or contact BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).				

CONFIDENTIAL

LA 00001504

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017661

*** Slip Sheet ***

Document

L/A DEV - CONFIDENTIAL BUSINESS DESCRIP. & PROPERTY FINANCIAL ANALYSIS

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017663

*** Slip Sheet ***

Document

Revised 9-11-08

Summary Financing & Returns Table for All Development Properties
As-If-Sold at Project Completion

Returns Calculated through 6/30/08	Redacted	1920 8th St	Redacted
Returns Calculated through Estimated Project Completion		09/30/2017	
Purchase Date		9/30/2007	
Purchase Price		100,000	
Acquisition Financing Received			
Investor Financing Received			
LAD Net Cash Invested at Acquisition		213,528	
Refinancing Proceeds Since Acquisition		-	
Initial Investment		213,528	
Additional Investment Since Acquisition		131,430	
Estimated Costs to Complete Project		19,938,195	
Existing Debt Available to Complete Project			
Added Investment Required to Complete		669,200	
Estimated Market Value at Project Completion		27,838,750	
Estimated Selling Costs		835,162	
Outstanding Debt at Project Completion		15,179,096	
Estimated Additional Cash Upon Sale		8,370,622	
Gross Cash Returned Including Sale		11,434,873	
Investment Term (months)		120	
Annualized Return Including Sale		112.8%	
Equity Multiple Including Sale		11.3	
Annual IRR through Project Completion		32.6%	

DRAFT

CONFIDENTIAL

LA 00001506

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017665

Summary Financing & Returns Table for All Development Properties
As-If-Sold at Project Completion

Returns Calculated through 6/30/08		1920 8th St	
Returns Calculated through Estimated Project Completion			
Purchase Date		9/30/2007 ✓	
Purchase Price		100,000 ✓	
Acquisition Financing Received			
Investor Financing Received			
LAD Net Cash Invested at Acquisition		213,527.97 ✓	
Refinancing Proceeds Since Acquisition		-	
Initial Investment		213,527.97 ✓	
Additional Investment Since Acquisition		131,429.94 ✓	
Payments to Outside Investors Since Acquisition		-	
Estimated Costs to Complete Project	Redacted	19,938,195	Redacted
Additional Payments to Outside Investors		-	
Existing Debt Available to Complete Project		-	
Added Investment Required to Complete		669,203	
Estimated Market Value at Project Completion		27,838,730	
Estimated Selling Costs		835,162	
Outstanding Debt at Project Completion		15,179,096	
Estimated Additional Cash Upon Sale		8,370,622	
159,945		3	
Gross Cash Returned Including Sale		11,434,873	
Investment Term (months)		120	
Annualized Return Including Sale		112.8 %	
Equity Multiple Including Sale		11.3	
Annual IRR (~~as-if-sold 6/30/08~~)		32.6 %	

[NOTE: THIS TABLE MUST BE CHECKED AND UPDATED, IS NOT CORRECT]

COPY

CONFIDENTIAL

LA 00001507

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017666

Redacted

Redacted

Summary Financing & Returns Table ~~for All~~ Development Properties
As-If-Sold ~~on 6/30/08~~ future, pro forma

Returns Calculated through 6/30/08		1920 8th St	
Purchase Date		9/30/2007 ✓	
Purchase Price		100,000 ✓	
Acquisition Financing Received			
Investor Financing Received			
LAD Net Cash Invested at Acquisition		213,527.97 ✓	
Refinancing Proceeds Since Acquisition		-	
Initial Investment		213,527.97 ✓	
Additional Investment Since Acquisition		131,429.94 ✓	
Payments to Outside Investors Since Acquisition			
Estimated Costs to Complete Project		-	
Additional Payments to Outside Investors	Redacted		Redacted
Existing Debt Available to Complete Project			
Added Investment Required to Complete			
Estimated Market Value		1,000,000.00 ✓	
Estimated Selling Costs		35,000.00 ✓	
Outstanding Debt at Project Completion		-	
Estimated Additional Cash Upon Sale		965,000.00 ✓	
Gross Cash Returned Including Sale		833,570.06 ✓	
Investment Term (months)		9 ✓	
Annualized Return Including Sale		387% ✓	
Equity Multiple Including Sale		3.9 ✓	
Annual IRR (as if sold 6/30/08)		167% ✓	

[NOTE: THIS TABLE MUST BE CHECKED AND UPDATED, IS NOT CORRECT]

base on total invested not just initial or cut it

Redacted

CONFIDENTIAL LA 00001510

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017669

*** Slip Sheet ***

Document

Project Cash Flow Summary	
Equity Investment	1,014,158
Construction Loan Proceeds	13,765,318
Development Costs	(20,283,153)
Mortgage Proceeds	16,278,016
Construction Loan Repayment	(15,627,616)
Rental Income	9,679,402
Project Sale Proceeds	27,838,730
Mortgage Loan Debt Service	(21,229,982)
Equity Distribution	(1,014,158)
Residual Cash for Distribution	10,420,716
Equity Investment Cash Flow Summary	
Initial Equity Investment	(1,014,158)
Additional Equity Investments/Distribution	10,420,716
Return of Initial Investment	1,014,158
Net Investment Cash Flow	10,420,716
IRR of Net Investment Cash Flow (month	2.72%
IRR of Net Investment Cash Flow (annua	32.65%
Costs to Date	344,958
Estimated Costs to Complete Project	19,938,195
Added Investment Required to Complete	669,200
Estimated Market Value at Project Compl	27,838,730
Estimated Selling Costs	835,162
Outstanding Debt at Project Completion	15,179,096
Estimated Additional Cash Upon Sale	8,370,622
Gross Cash Returned Including Sale	11,434,873
Investment Term (months)	120
Annualized Return Including Sale	112.8%
Equity Multiple Including Sale	11.3
Annual IRR	32.6%

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017671

*** Slip Sheet ***

Document

LaKritz | Adler

Property Financial Summary/Analysis

Returns Calculated through:	
06/30/08	
	1920 8th St
Purchase Date	09/30/2007
Purchase Price	100,000.00
Other Acquisition Costs	113,527.97
Acquisition Financing Costs	
Acquisition Financing Received	
Date Investor Financing Received	09/30/2007
Investor Financing Received	
Net Cash Invested at Acquisition	213,527.97
Purchase Date	
Purchase Price	
Other Acquisition Costs	
Acquisition Financing Costs	
Acquisition Financing Received	
Net Cash Invested at Acquisition	-
Date Refinanced	
Refinancing Net Proceeds	
Date Refinanced	
Refinancing Net Proceeds	
Improvements Net of Dev/Const Borrowing	
2002	-
2003	
2004	
2005	
2006	
2007	
2008 (thru 6/30))	
Net Income After Debt Svc	
2002	-
2003	
2004	
2005	
2006	
2007	(80,225.80)
2008 (thru 6/30)	(51,204.14)
Cash Payments to Investors	
2002	
2003	
2004	

CONFIDENTIAL

LA 00001512

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017673

Returns Calculated through:	
06/30/08	
	1920 8th St
2005	
2006	
2007	
2008 (thru 6/30)	
Date Investors Cashed Out	
Development Assets Currently Held	
Refinancing Proceeds Since Acquisition	-
Intial Investment	213,527.97
Additional Investment Since Acquisition	131,429.94
Payments to Outside Investors Since Acquisition	-
Estimated Costs to Complete Project	-
Additional Required Payments to Outside Investors	
Existing Debt Available to Complete Project	
Addl Investment/Debt Required to Complete Project	
Estimated Market Value	1,000,000.00
Estimated Selling Costs	35,000.00
Outstanding Debt at Project Completion	-
Estimated Additional Cash Upon Sale	965,000.00
Gross Cash Returned Including Sale	833,570.06
Investment Term (months)	9
Annualized Return on Investment Including Sale	387%
Net Cash Return Multiple Including Sale	3.9
Calculation of Net Cash Returned	
Initial Investment	213,527.97
Additional Investment Including Operating Losses	131,429.94
Total Invested	344,957.91
Refinancing Proceeds Received	-
Expected Cash Upon Liquidation	965,000.00
Total Expected Cash Returned	965,000.00
Net Cash Returned in Excess of Investment	620,042.09

*** Slip Sheet ***

Document

Project Cash Flow Summary											
Equity Investment	1,014,158	276,968	6,562	6,562	6,562	6,562	6,562	99,978	44,540	44,540	44,540
Construction Loan Proceeds	13,765,318										
Development Costs	(20,283,153)	(276,968)	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)
Mortgage Proceeds	16,278,016										
Construction Loan Repayment	(15,627,616)										
Rental Income	9,679,402										
Project Sale Proceeds	27,838,730										
Mortgage Loan Debt Service	(21,229,982)										
Equity Distribution	(1,014,158)										
Residual Cash for Distribution	10,420,716										
Equity Investment Cash Flow Summary											
Initial Equity Investment	(1,014,158)	(276,968)	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)
Additional Equity Investments/Distribution	10,420,716										
Return of Initial Investment	1,014,158										
Net Investment Cash Flow	10,420,716	(276,968)	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)
IRR of Net Investment Cash Flow (month	2.72%										
IRR of Net Investment Cash Flow (annua	32.65%										

The Reserves in this Model don't make sense to me. See page 9 of 20.

Are these CAM/RE Tax Pulls from Tenants?

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017676

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Project Cash Flow Summary											
Equity Investment	44,540	44,540	134,785	50,822	50,822	50,822	53,421	41,031			
Construction Loan Proceeds								12,390	78,858	53,421	53,421
Development Costs	(44,540)	(44,540)	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(53,421)	(78,858)	(53,421)	(53,421)
Mortgage Proceeds											
Construction Loan Repayment											
Rental Income											
Project Sale Proceeds											
Mortgage Loan Debt Service											
Equity Distribution											
Residual Cash for Distribution											
Equity Investment Cash Flow Summa											
Initial Equity Investment	(44,540)	(44,540)	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(41,031)			
Additional Equity Investments/Distribution											
Return of Initial Investment											
Net Investment Cash Flow	(44,540)	(44,540)	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(41,031)			
IRR of Net Investment Cash Flow (month											
IRR of Net Investment Cash Flow (annua											

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017677

Period	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10
Project Cash Flow Summary											
Equity Investment											
Construction Loan Proceeds	53,421	25,296	25,296	50,733	25,296	25,296	25,296	25,296	25,296	888,017	438,045
Development Costs	(53,421)	(25,296)	(25,296)	(50,733)	(25,296)	(25,296)	(25,296)	(25,296)	(25,296)	(888,017)	(438,045)
Mortgage Proceeds											
Construction Loan Repayment											
Rental Income											
Project Sale Proceeds											
Mortgage Loan Debt Service											
Equity Distribution											
Residual Cash for Distribution											
Equity Investment Cash Flow Summa											
Initial Equity Investment											
Additional Equity Investments/Distribution											
Return of Initial Investment											
Net Investment Cash Flow											
IRR of Net Investment Cash Flow (month											
IRR of Net Investment Cash Flow (annua											

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017678

Project Cash Flow Summary											
Equity Investment											
Construction Loan Proceeds	631,138	782,946	890,815	954,449	998,990	947,825	876,969	760,681	598,661	390,602	43,786
Development Costs	(631,138)	(782,946)	(890,815)	(954,449)	(998,990)	(947,825)	(876,969)	(760,681)	(598,661)	(390,602)	(43,786)
Mortgage Proceeds											
Construction Loan Repayment											
Rental Income											
Project Sale Proceeds											
Mortgage Loan Debt Service											
Equity Distribution											
Residual Cash for Distribution											
Equity Investment Cash Flow Summa											
Initial Equity Investment											
Additional Equity Investments/Distribution											
Return of Initial Investment											
Net Investment Cash Flow											
IRR of Net Investment Cash Flow (month											
IRR of Net Investment Cash Flow (annua											

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017679

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

Period	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Project Cash Flow Summary											
Equity Investment											
Construction Loan Proceeds	18,348	3,893,466	18,116	18,173	18,051	18,093	18,128	18,154	12,907	12,917	12,919
Development Costs	(18,348)	(3,893,466)	(18,116)	(18,173)	(18,051)	(18,093)	(18,128)	(18,154)	(12,907)	(12,917)	(12,919)
Mortgage Proceeds											
Construction Loan Repayment		(30,374)	(30,374)	(30,374)	(30,374)	(30,374)	(30,374)	(126,287)	(126,287)	(126,287)	(126,287)
Rental Income		30,374	30,374	30,374	30,374	30,374	30,374	126,287	126,287	126,287	126,287
Project Sale Proceeds											
Mortgage Loan Debt Service											
Equity Distribution											
Residual Cash for Distribution											
Equity Investment Cash Flow Summa											
Initial Equity Investment											
Additional Equity Investmente/Distribution											
Return of Initial Investment											
Net Investment Cash Flow											
IRR of Net Investment Cash Flow (month											
IRR of Net Investment Cash Flow (annua											

WMATA-INV 017680

Period	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Project Cash Flow Summary											
Equity Investment											
Construction Loan Proceeds	12,913	12,898									
Development Costs	(12,913)	(12,898)	(187,874)	(12,842)	(12,801)	(12,750)	(16,879)	(16,750)	(16,750)	(16,750)	(16,750)
Mortgage Proceeds			16,278,016								
Construction Loan Repayment	(126,287)	(126,287)	(14,687,653)								
Rental Income	126,287	126,287	130,075	130,075	130,075	130,075	130,075	130,075	130,075	130,075	130,075
Project Sale Proceeds											
Mortgage Loan Debt Service				(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)
Equity Distribution			(1,014,158)								
Residual Cash for Distribution			518,406	19,639	19,680	19,730	15,602	15,730	15,730	15,730	15,730
Equity Investment Cash Flow Summa											
Initial Equity Investment											
Additional Equity Investments/Distribution			518,406	19,639	19,680	19,730	15,602	15,730	15,730	15,730	15,730
Return of Initial Investment			1,014,158								
Net Investment Cash Flow			1,532,564	19,639	19,680	19,730	15,602	15,730	15,730	15,730	15,730
IRR of Net Investment Cash Flow (month											
IRR of Net Investment Cash Flow (annua											

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

LA 00001519

WMATA-INV 017681

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Project Cash Flow Summary											
Equity Investment											
Construction Loan Proceeds											
Development Costs	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)
Mortgage Proceeds											
Construction Loan Repayment											
Rental Income	130,075	130,075	130,075	133,978	133,978	133,978	133,978	133,978	133,978	133,978	133,978
Project Sale Proceeds											
Mortgage Loan Debt Service	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)
Equity Distribution											
Residual Cash for Distribution	15,730	15,730	15,730	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632
Equity Investment Cash Flow Summa											
Initial Equity Investment											
Additional Equity Investments/Distribution	15,730	15,730	15,730	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632
Return of Initial Investment											
Net Investment Cash Flow	15,730	15,730	15,730	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632
IRR of Net Investment Cash Flow (month											
IRR of Net Investment Cash Flow (annua											

WMATA-INV 017682

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

Project Cash Flow Summary											
Equity Investment											
Construction Loan Proceeds											
Development Costs	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)
Mortgage Proceeds											
Construction Loan Repayment											
Rental Income	133,978	133,978	133,978	133,978	137,997	137,997	137,997	137,997	137,997	137,997	137,997
Project Sale Proceeds											
Mortgage Loan Debt Service	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)
Equity Distribution											
Residual Cash for Distribution	19,632	19,632	19,632	19,632	23,652	23,652	23,652	23,652	23,652	23,652	23,652
Equity Investment Cash Flow Summa											
Initial Equity Investment											
Additional Equity Investments/Distribution	19,632	19,632	19,632	19,632	23,652	23,652	23,652	23,652	23,652	23,652	23,652
Return of Initial Investment											
Net Investment Cash Flow	19,632	19,632	19,632	19,632	23,652	23,652	23,652	23,652	23,652	23,652	23,652
IRR of Net Investment Cash Flow (month											
IRR of Net Investment Cash Flow (annua											

WMATA-INV 017683

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

Project Cash Flow Summary											
Equity Investment											
Construction Loan Proceeds											
Development Costs	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)
Mortgage Proceeds											
Construction Loan Repayment											
Rental Income	137,997	137,997	137,997	137,997	137,997	142,137	142,137	142,137	142,137	142,137	142,137
Project Sale Proceeds											
Mortgage Loan Debt Service	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)
Equity Distribution											
Residual Cash for Distribution	23,652	23,652	23,652	23,652	23,652	27,792	27,792	27,792	27,792	27,792	27,792
Equity Investment Cash Flow Summa											
Initial Equity Investment											
Additional Equity Investments/Distribution	23,652	23,652	23,652	23,652	23,652	27,792	27,792	27,792	27,792	27,792	27,792
Return of Initial Investment											
Net Investment Cash Flow	23,652	23,652	23,652	23,652	23,652	27,792	27,792	27,792	27,792	27,792	27,792
IRR of Net Investment Cash Flow (month											
IRR of Net Investment Cash Flow (annua											

WMATA-INV 017684

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Project Cash Flow Summary											
Equity Investment											
Construction Loan Proceeds											
Development Costs	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)
Mortgage Proceeds											
Construction Loan Repayment											
Rental Income	142,137	142,137	142,137	142,137	142,137	142,137	146,401	146,401	146,401	146,401	146,401
Project Sale Proceeds											
Mortgage Loan Debt Service	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)
Equity Distribution											
Residual Cash for Distribution	27,792	27,792	27,792	27,792	27,792	27,792	32,056	32,056	32,056	32,056	32,056
Equity Investment Cash Flow Summa											
Initial Equity Investment											
Additional Equity Investments/Distribution	27,792	27,792	27,792	27,792	27,792	27,792	32,056	32,056	32,056	32,056	32,056
Return of Initial Investment											
Net Investment Cash Flow	27,792	27,792	27,792	27,792	27,792	27,792	32,056	32,056	32,056	32,056	32,056
IRR of Net Investment Cash Flow (month											
IRR of Net Investment Cash Flow (annua											

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

FOIA CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL

Period	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	
	0	1	2	3	4	5	6	7	8	9	10
Project Cash Flow Summary											
Equity Investment											
Construction Loan Proceeds											
Development Costs	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(4,289,012)
Mortgage Proceeds											
Construction Loan Repayment											
Rental Income	146,401	146,401	146,401	146,401	146,401	146,401	146,401	150,793	150,793	150,793	
Project Sale Proceeds											27,838,730
Mortgage Loan Debt Service	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(15,179,096)
Equity Distribution											
Residual Cash for Distribution	32,056	32,056	32,056	32,056	32,056	32,056	32,056	36,448	36,448	36,448	8,370,622
Equity Investment Cash Flow Summa											
Initial Equity Investment											
Additional Equity Investments/Distribution	32,056	32,056	32,056	32,056	32,056	32,056	32,056	36,448	36,448	36,448	8,370,622
Return of Initial Investment											
Net Investment Cash Flow	32,056	32,056	32,056	32,056	32,056	32,056	32,056	36,448	36,448	36,448	8,370,622
IRR of Net Investment Cash Flow (month											
IRR of Net Investment Cash Flow (annua											

WMATA-INV 017686

*** Slip Sheet ***

Document

Project Overall Cash Flow (IRR: 18.82%)													
Revenue: Unit Sales													
Revenue: Rental Income	9,679,402												
Revenue: Capitalized Rent	27,838,730												
Revenue: Other													
Total Revenue	37,518,132												
Cash Outflows (Dev. Costs)	(20,283,153)	(276,968)	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)
Net Cash Flow Pre-Finance (IRR)	17,234,979	(276,968)	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)
Mortgage Funding	16,278,016												
Mortgage Repayment: Total P&I	(21,229,982)												
Reserve In	15,924,393												
Reserve Out	(15,924,393)												
Reserve Balance													
Available for Distribution	32,566,167												
Timed Profit Distribution													
Auto. Profit for Distribution	10,420,716												
Profit Distribution to Order 3	10,420,716												
Profit Distribution: Developer Equity Order 3 - Profit Type: Residual Percentage - Total Return: $10,420,716													
Timed Profit Participation													
Profit	10,420,716												
Project: Developer Equity - Inv.													
Timed Contribution: Project													
Auto. Project Contribution	(1,014,158)	(276,968)	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)
Total Contribution	(1,014,158)	(276,968)	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)
Interest													
Timed Repayment: Project													
Auto. Repayment	1,014,158												
Total Repayment	1,014,158												
Closing Balance		(276,968)	(283,530)	(290,092)	(296,654)	(303,216)	(309,777)	(409,755)	(454,296)	(498,836)	(543,376)	(587,916)	(632,457)
Net Cash Flow (IRR)		(276,968)	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)
Cumulative Net Cash Flow		(276,968)	(283,530)	(290,092)	(296,654)	(303,216)	(309,777)	(409,755)	(454,296)	(498,836)	(543,376)	(587,916)	(632,457)
Project: 10% Sale Fee - $10,000,000 - Contribution Proportion: 100.00% - Repayment Proportion: 100.00%													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
Project: 100% Construction Loan - Loan: $13,765,318 - Interest: 5.00% - Contribution Proportion: 100.00% - Repayment Proportion: 100.00%													
Timed Contribution: Project													
Auto. Project Contribution	(13,765,318)												
Total Contribution	(13,765,318)												
Fixed Amount Loan Fees	(100,000)							(100,000)					
% Loan Fees	(452,261)							(452,261)					
Total Loan Fees	(552,261)							(552,261)					
Interest and Fees	(1,862,298)							(552,261)					
Timed Repayment: Project													
Auto. Repayment	15,627,616												
Total Repayment	15,627,616												
Closing Balance								(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(552,261)
Net Cash Flow (IRR)								(552,261)					
Cumulative Net Cash Flow								(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(552,261)
Project: Mortgage - IRR: 6.25% - Annual Interest Rate/Compounding: 6.00% - Monthly Annual Payment (P+I): $1,270,139.65 - Initial Loan Value Ratio: 70%													
Opening Balance													
Interest	4,951,966												

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017688

Principal Repaid	16,278,016												
Total P+I Payment	21,229,982												
Closing Balance													
Net Cash Flow (IRR)	4,951,966												
Lender Equity Contribution (Project IRR 10.0%)													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
Finance Contribution Notes - Project IRR 16.7%													
Auto. Project Contribution	(14,779,476)	(276,968)	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)
Timed Contribution: Project													
Total Contribution	(14,779,476)	(276,968)	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)
Loan Fees	(552,261)							(552,261)					
Non-Mortgage Interest and Fees	(1,862,298)							(552,261)					
Auto. Repayment	16,641,774												
Timed Repayment: Project													
Total Repayment	16,641,774												
Closing Balance		(276,968)	(283,530)	(290,092)	(296,654)	(303,216)	(309,777)	(962,016)	(1,006,556)	(1,051,096)	(1,095,637)	(1,140,177)	(1,184,717)
Profit Participation	10,420,716												
Net Cash Flow (IRR)	10,420,716	(276,968)	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(552,238)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)
Net Cash Flow (Equity IRR)	10,420,716	(276,968)	(6,562)	(6,562)	(6,562)	(6,562)	(6,562)	(99,978)	(44,540)	(44,540)	(44,540)	(44,540)	(44,540)
Net Finance Cash Flow													
Cumulative Net Cash Flow		(276,968)	(283,530)	(290,092)	(296,654)	(303,216)	(309,777)	(962,016)	(1,006,556)	(1,051,096)	(1,095,637)	(1,140,177)	(1,184,717)

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017689

Revenue: Unit Sales													
Revenue: Rental Income													
Revenue: Capitalized Rent													
Revenue: Other													
Total Revenue													
Cash Outflows (Dev. Costs)	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(53,421)	(78,858)	(53,421)	(53,421)	(53,421)	(25,296)	(25,296)	(50,733)
Net Cash Flow Pre-Finance (IRR)	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(53,421)	(78,858)	(53,421)	(53,421)	(53,421)	(25,296)	(25,296)	(50,733)
Mortgage Funding													
Mortgage Repayment: Total P&I													
Reserve In													
Reserve Out													
Reserve Balance													
Available for Distribution													
Timed Profit Distribution													
Auto. Profit for Distribution													
Profit Distribution to Order 3													
[illegible]													
Timed Profit Participation													
Profit													
[illegible]													
Timed Contribution: Project													
Auto. Project Contribution	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(41,031)							
Total Contribution	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(41,031)							
Interest													
Timed Repayment: Project													
Auto. Repayment													
Total Repayment													
Closing Balance	(767,242)	(818,063)	(868,885)	(919,707)	(973,127)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)
Net Cash Flow (IRR)	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(41,031)							
Cumulative Net Cash Flow	(767,242)	(818,063)	(868,885)	(919,707)	(973,127)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)
[illegible]													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
[illegible]													
Timed Contribution: Project													
Auto. Project Contribution						(12,390)	(78,858)	(53,421)	(53,421)	(53,421)	(25,296)	(25,296)	(50,733)
Total Contribution						(12,390)	(78,858)	(53,421)	(53,421)	(53,421)	(25,296)	(25,296)	(50,733)
Fixed Amount Loan Fees													
% Loan Fees													
Total Loan Fees													
Interest and Fees							(62)	(457)	(726)	(997)	(1,269)	(1,402)	(1,535)
Timed Repayment: Project													
Auto. Repayment													
Total Repayment													
Closing Balance	(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(564,651)	(643,571)	(697,448)	(751,594)	(806,011)	(832,576)	(859,273)	(911,541)
Net Cash Flow (IRR)						(12,390)	(78,920)	(53,877)	(54,146)	(54,417)	(26,564)	(26,697)	(52,268)
Cumulative Net Cash Flow	(552,261)	(552,261)	(552,261)	(552,261)	(552,261)	(564,651)	(643,571)	(697,448)	(751,594)	(806,011)	(832,576)	(859,273)	(911,541)
[illegible]													
Opening Balance													
Interest													

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017690

Principal Repaid													
Total P+I Payment													
Closing Balance													
Net Cash Flow (IRR)													
[illegible]													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
[illegible]													
Auto. Project Contribution	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(53,421)	(78,858)	(53,421)	(53,421)	(53,421)	(25,296)	(25,296)	(50,733)
Timed Contribution: Project													
Total Contribution	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(53,421)	(78,858)	(53,421)	(53,421)	(53,421)	(25,296)	(25,296)	(50,733)
Loan Fees													
Non-Mortgage Interest and Fees							(62)	(457)	(726)	(997)	(1,269)	(1,402)	(1,535)
Auto. Repayment													
Timed Repayment: Project													
Total Repayment													
Closing Balance	(1,319,503)	(1,370,324)	(1,421,146)	(1,471,967)	(1,525,388)	(1,578,808)	(1,657,728)	(1,711,605)	(1,765,752)	(1,820,169)	(1,846,733)	(1,873,430)	(1,925,698)
Profit Participation													
Net Cash Flow (IRR)	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(53,421)	(78,920)	(53,877)	(54,146)	(54,417)	(26,564)	(26,697)	(52,268)
Net Cash Flow (Equity IRR)	(134,785)	(50,822)	(50,822)	(50,822)	(53,421)	(41,031)							
Net Finance Cash Flow													
Cumulative Net Cash Flow	(1,319,503)	(1,370,324)	(1,421,146)	(1,471,967)	(1,525,388)	(1,578,808)	(1,657,728)	(1,711,605)	(1,765,752)	(1,820,169)	(1,846,733)	(1,873,430)	(1,925,698)

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017691

Revenue: Unit Sales													
Revenue: Rental Income													
Revenue: Capitalized Rent													
Revenue: Other													
Total Revenue													
Cash Outflows (Dev. Costs)	(25,296)	(25,296)	(25,296)	(25,296)	(25,296)	(886,017)	(438,045)	(631,138)	(782,946)	(890,815)	(954,449)	(998,990)	(947,825)
Net Cash Flow Pre-Finance (IRR)	(25,296)	(25,296)	(25,296)	(25,296)	(25,296)	(886,017)	(438,045)	(631,138)	(782,946)	(890,815)	(954,449)	(998,990)	(947,825)
Mortgage Funding													
Mortgage Repayment: Total P&I													
Reserve In													
Reserve Out													
Reserve Balance													
Available for Distribution													
Timed Profit Distribution													
Auto. Profit for Distribution													
Profit Distribution to Order 3													
[illegible]													
Timed Profit Participation													
Profit													
[illegible]													
Timed Contribution: Project													
Auto. Project Contribution													
Total Contribution													
Interest													
Timed Repayment: Project													
Auto. Repayment													
Total Repayment													
Closing Balance	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)
Net Cash Flow (IRR)													
Cumulative Net Cash Flow	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)
[illegible]													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
[illegible]													
Timed Contribution: Project													
Auto. Project Contribution	(25,296)	(25,296)	(25,296)	(25,296)	(25,296)	(886,017)	(438,045)	(631,138)	(782,946)	(890,815)	(954,449)	(998,990)	(947,825)
Total Contribution	(25,296)	(25,296)	(25,296)	(25,296)	(25,296)	(886,017)	(438,045)	(631,138)	(782,946)	(890,815)	(954,449)	(998,990)	(947,825)
Fixed Amount Loan Fees													
% Loan Fees													
Total Loan Fees													
Interest and Fees	(1,796)	(1,932)	(2,068)	(2,205)	(2,342)	(2,481)	(6,923)	(9,148)	(12,349)	(16,326)	(20,861)	(25,738)	(30,862)
Timed Repayment: Project													
Auto. Repayment													
Total Repayment													
Closing Balance	(938,633)	(965,860)	(993,224)	(1,020,724)	(1,048,362)	(1,936,859)	(2,381,827)	(3,022,114)	(3,817,409)	(4,724,550)	(5,699,861)	(6,724,588)	(7,703,275)
Net Cash Flow (IRR)	(27,092)	(27,227)	(27,364)	(27,500)	(27,638)	(888,498)	(444,968)	(640,266)	(795,296)	(907,141)	(975,311)	(1,024,728)	(978,687)
Cumulative Net Cash Flow	(938,633)	(965,860)	(993,224)	(1,020,724)	(1,048,362)	(1,936,859)	(2,381,827)	(3,022,114)	(3,817,409)	(4,724,550)	(5,699,861)	(6,724,588)	(7,703,275)
[illegible]													
Opening Balance													
Interest													

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017692

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Principal Repaid													
Total P+I Payment													
Closing Balance													
Net Cash Flow (IRR)													
[illegible]													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
[illegible]													
Auto. Project Contribution	(25,296)	(25,296)	(25,296)	(25,296)	(25,296)	(886,017)	(438,045)	(631,138)	(782,946)	(890,815)	(954,449)	(998,990)	(947,825)
Timed Contribution: Project													
Total Contribution	(25,296)	(25,296)	(25,296)	(25,296)	(25,296)	(886,017)	(438,045)	(631,138)	(782,946)	(890,815)	(954,449)	(998,990)	(947,825)
Loan Fees													
Non-Mortgage Interest and Fees	(1,796)	(1,932)	(2,068)	(2,205)	(2,342)	(2,481)	(6,923)	(9,148)	(12,349)	(16,326)	(20,861)	(25,738)	(30,862)
Auto. Repayment													
Timed Repayment: Project													
Total Repayment													
Closing Balance	(1,952,790)	(1,980,018)	(2,007,381)	(2,034,882)	(2,062,519)	(2,951,017)	(3,395,985)	(4,036,271)	(4,831,567)	(5,738,708)	(6,714,018)	(7,738,746)	(8,717,433)
Profit Participation													
Net Cash Flow (IRR)	(27,092)	(27,227)	(27,364)	(27,500)	(27,638)	(888,498)	(444,968)	(640,286)	(795,296)	(907,141)	(975,311)	(1,024,728)	(978,687)
Net Cash Flow (Equity IRR)													
Net Finance Cash Flow													
Cumulative Net Cash Flow	(1,952,790)	(1,980,018)	(2,007,381)	(2,034,882)	(2,062,519)	(2,951,017)	(3,395,985)	(4,036,271)	(4,831,567)	(5,738,708)	(6,714,018)	(7,738,746)	(8,717,433)

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017693

[illegible]													
[illegible]													
Revenue: Unit Sales													
Revenue: Rental Income							30,374	30,374	30,374	30,374	30,374	30,374	126,287
Revenue: Capitalized Rent													
Revenue: Other													
Total Revenue							30,374	30,374	30,374	30,374	30,374	30,374	126,287
Cash Outflows (Dev. Costs)	(876,969)	(760,681)	(598,661)	(390,602)	(43,786)	(18,348)	(3,893,466)	(18,116)	(18,173)	(18,051)	(18,093)	(18,128)	(18,154)
Net Cash Flow Pre-Finance (IRR)	(876,969)	(760,681)	(598,661)	(390,602)	(43,786)	(18,348)	(3,863,092)	12,258	12,200	12,323	12,280	12,246	108,132
Mortgage Funding													
Mortgage Repayment: Total P&I													
Reserve In													
Reserve Out													
Reserve Balance													
Available for Distribution							30,374	30,374	30,374	30,374	30,374	30,374	126,287
Timed Profit Distribution													
Auto. Profit for Distribution													
Profit Distribution to Order 3													
[illegible]													
Timed Profit Participation													
Profit													
[illegible]													
Timed Contribution: Project													
Auto. Project Contribution													
Total Contribution													
Interest													
Timed Repayment: Project													
Auto. Repayment													
Total Repayment													
Closing Balance	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)
Net Cash Flow (IRR)													
Cumulative Net Cash Flow	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)
[illegible]													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
[illegible]													
Timed Contribution: Project													
Auto. Project Contribution	(876,969)	(760,681)	(598,661)	(390,602)	(43,786)	(18,348)	(3,893,466)	(18,116)	(18,173)	(18,051)	(18,093)	(18,128)	(18,154)
Total Contribution	(876,969)	(760,681)	(598,661)	(390,602)	(43,786)	(18,348)	(3,893,466)	(18,116)	(18,173)	(18,051)	(18,093)	(18,128)	(18,154)
Fixed Amount Loan Fees													
% Loan Fees													
Total Loan Fees													
Interest and Fees	(35,755)	(40,319)	(44,324)	(47,539)	(49,729)	(50,197)	(50,540)	(70,108)	(70,397)	(70,688)	(70,980)	(71,273)	(71,568)
Timed Repayment: Project													
Auto. Repayment							30,374	30,374	30,374	30,374	30,374	30,374	126,287
Total Repayment							30,374	30,374	30,374	30,374	30,374	30,374	126,287
Closing Balance	(8,615,999)	(9,416,999)	(10,059,983)	(10,498,124)	(10,591,639)	(10,660,185)	(14,573,816)	(14,631,666)	(14,689,863)	(14,748,228)	(14,806,928)	(14,865,956)	(14,829,392)
Net Cash Flow (IRR)	(912,724)	(801,000)	(642,984)	(438,141)	(93,515)	(68,545)	(3,913,632)	(57,850)	(58,197)	(58,366)	(58,700)	(59,028)	36,564
Cumulative Net Cash Flow	(8,615,999)	(9,416,999)	(10,059,983)	(10,498,124)	(10,591,639)	(10,660,185)	(14,573,816)	(14,631,666)	(14,689,863)	(14,748,228)	(14,806,928)	(14,865,956)	(14,829,392)
[illegible]													
Opening Balance													
Interest													

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017694

Principal Repaid													
Total P+I Payment													
Closing Balance													
Net Cash Flow (IRR)													
[illegible]													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
[illegible]													
Auto. Project Contribution	(876,969)	(760,681)	(598,661)	(390,602)	(43,786)	(18,348)	(3,893,466)	(18,116)	(18,173)	(18,051)	(18,093)	(18,128)	(18,154)
Timed Contribution: Project													
Total Contribution	(876,969)	(760,681)	(598,661)	(390,602)	(43,786)	(18,348)	(3,893,466)	(18,116)	(18,173)	(18,051)	(18,093)	(18,128)	(18,154)
Loan Fees													
Non-Mortgage Interest and Fees	(35,755)	(40,319)	(44,324)	(47,539)	(49,729)	(50,197)	(50,540)	(70,108)	(70,397)	(70,688)	(70,980)	(71,273)	(71,568)
Auto. Repayment							30,374	30,374	30,374	30,374	30,374	30,374	126,287
Timed Repayment: Project													
Total Repayment							30,374	30,374	30,374	30,374	30,374	30,374	126,287
Closing Balance	(9,630,157)	(10,431,157)	(11,074,141)	(11,512,282)	(11,605,797)	(11,674,342)	(15,587,974)	(15,645,824)	(15,704,020)	(15,762,386)	(15,821,086)	(15,880,113)	(15,843,549)
Profit Participation													
Net Cash Flow (IRR)	(912,724)	(801,000)	(642,984)	(438,141)	(93,515)	(68,545)	(3,913,632)	(57,850)	(58,197)	(58,368)	(58,700)	(59,028)	36,564
Net Cash Flow (Equity IRR)													
Net Finance Cash Flow													
Cumulative Net Cash Flow	(9,630,157)	(10,431,157)	(11,074,141)	(11,512,282)	(11,605,797)	(11,674,342)	(15,587,974)	(15,645,824)	(15,704,020)	(15,762,386)	(15,821,086)	(15,880,113)	(15,843,549)

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017695

Revenue: Unit Sales													
Revenue: Rental Income	126,287	126,287	126,287	126,287	126,287	130,075	130,075	130,075	130,075	130,075	130,075	130,075	130,075
Revenue: Capitalized Rent													
Revenue: Other													
Total Revenue	126,287	126,287	126,287	126,287	126,287	130,075	130,075	130,075	130,075	130,075	130,075	130,075	130,075
Cash Outflows (Dev. Costs)	(12,907)	(12,917)	(12,919)	(12,913)	(12,898)	(187,874)	(12,842)	(12,801)	(12,750)	(16,879)	(16,750)	(16,750)	(16,750)
Net Cash Flow Pre-Finance (IRR)	113,380	113,370	113,368	113,374	113,389	(57,799)	117,234	117,275	117,325	113,197	113,325	113,325	113,325
Mortgage Funding						16,278,016							
Mortgage Repayment: Total P&I							(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)
Reserve In						706,281	32,481	32,481	32,481	32,481	32,481	32,481	32,481
Reserve Out						(706,281)	(32,481)	(32,481)	(32,481)	(32,481)	(32,481)	(32,481)	(32,481)
Reserve Balance													
Available for Distribution	126,287	126,287	126,287	126,287	126,287	16,408,092	32,481	32,481	32,481	32,481	32,481	32,481	32,481
Timed Profit Distribution													
Auto. Profit for Distribution						518,406	19,639	19,680	19,730	15,602	15,730	15,730	15,730
Profit Distribution to Order 3						518,406	19,639	19,680	19,730	15,602	15,730	15,730	15,730
Profit Distribution - Equity Only													
Timed Profit Participation													
Profit						518,406	19,639	19,680	19,730	15,602	15,730	15,730	15,730
Project Contribution													
Timed Contribution: Project													
Auto. Project Contribution													
Total Contribution													
Interest													
Timed Repayment: Project													
Auto. Repayment						1,014,158							
Total Repayment						1,014,158							
Closing Balance	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)								
Net Cash Flow (IRR)						1,014,158							
Cumulative Net Cash Flow	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)	(1,014,158)								
Project Dev. Costs (IRR: 15.0%)													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
Mortgage Construction Period													
Timed Contribution: Project													
Auto. Project Contribution	(12,907)	(12,917)	(12,919)	(12,913)	(12,898)								
Total Contribution	(12,907)	(12,917)	(12,919)	(12,913)	(12,898)								
Fixed Amount Loan Fees													
% Loan Fees													
Total Loan Fees													
Interest and Fees	(71,386)	(71,176)	(70,965)	(70,753)	(70,540)	(70,325)							
Timed Repayment: Project													
Auto. Repayment	126,287	126,287	126,287	126,287	126,287	14,687,653							
Total Repayment	126,287	126,287	126,287	126,287	126,287	14,687,653							
Closing Balance	(14,787,397)	(14,745,203)	(14,702,799)	(14,660,178)	(14,617,328)								
Net Cash Flow (IRR)	41,995	42,194	42,403	42,622	42,850	14,617,328							
Cumulative Net Cash Flow	(14,787,397)	(14,745,203)	(14,702,799)	(14,660,178)	(14,617,328)								
Mortgage Monthly (IRR: 15.0%)													
Opening Balance						16,278,016	16,278,016	16,261,811	16,245,525	16,229,158	16,212,709	16,196,178	16,179,564
Interest							81,390	81,309	81,228	81,146	81,064	80,981	80,898

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017696

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Principal Repaid							16,205	16,286	16,367	16,449	16,531	16,614	16,697
Total P+I Payment							97,595	97,595	97,595	97,595	97,595	97,595	97,595
Closing Balance						16,278,016	16,261,811	16,245,525	16,229,158	16,212,709	16,196,178	16,179,564	16,162,866
Net Cash Flow (IRR)						(16,278,016)	97,595	97,595	97,595	97,595	97,595	97,595	97,595
Finance - Balancing Account: Project													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
Finance - Combined Source: Project													
Auto. Project Contribution	(12,907)	(12,917)	(12,919)	(12,913)	(12,898)								
Timed Contribution: Project													
Total Contribution	(12,907)	(12,917)	(12,919)	(12,913)	(12,898)								
Loan Fees													
Non-Mortgage Interest and Fees	(71,386)	(71,176)	(70,965)	(70,753)	(70,540)	(70,325)							
Auto. Repayment	126,287	126,287	126,287	126,287	126,287	15,701,811							
Timed Repayment: Project													
Total Repayment	126,287	126,287	126,287	126,287	126,287	15,701,811							
Closing Balance	(15,801,555)	(15,759,360)	(15,716,957)	(15,674,335)	(15,631,486)								
Profit Participation						518,406	19,639	19,680	19,730	15,602	15,730	15,730	15,730
Net Cash Flow (IRR)	41,995	42,194	42,403	42,622	42,850	16,149,892	19,639	19,680	19,730	15,602	15,730	15,730	15,730
Net Cash Flow (Equity IRR)						1,532,564	19,639	19,680	19,730	15,602	15,730	15,730	15,730
Net Finance Cash Flow													
Cumulative Net Cash Flow	(15,801,555)	(15,759,360)	(15,716,957)	(15,674,335)	(15,631,486)	518,406	538,045	557,725	577,455	593,057	608,787	624,518	640,248

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017697

Revenue: Unit Sales													
Revenue: Rental Income	130,075	130,075	130,075	130,075	133,978	133,978	133,978	133,978	133,978	133,978	133,978	133,978	133,978
Revenue: Capitalized Rent													
Revenue: Other													
Total Revenue	130,075	130,075	130,075	130,075	133,978	133,978	133,978	133,978	133,978	133,978	133,978	133,978	133,978
Cash Outflows (Dev. Costs)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)
Net Cash Flow Pre-Finance (IRR)	113,325	113,325	113,325	113,325	117,227	117,227	117,227	117,227	117,227	117,227	117,227	117,227	117,227
Mortgage Funding													
Mortgage Repayment: Total P&I	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)
Reserve In	32,481	32,481	32,481	32,481	36,383	36,383	36,383	36,383	36,383	36,383	36,383	36,383	36,383
Reserve Out	(32,481)	(32,481)	(32,481)	(32,481)	(36,383)	(36,383)	(36,383)	(36,383)	(36,383)	(36,383)	(36,383)	(36,383)	(36,383)
Reserve Balance													
Available for Distribution	32,481	32,481	32,481	32,481	36,383	36,383	36,383	36,383	36,383	36,383	36,383	36,383	36,383
Timed Profit Distribution													
Auto. Profit for Distribution	15,730	15,730	15,730	15,730	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632
Profit Distribution to Order 3	16,730	15,730	15,730	15,730	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632
[illegible]													
Timed Profit Participation													
Profit	15,730	15,730	15,730	15,730	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632
[illegible]													
Timed Contribution: Project													
Auto. Project Contribution													
Total Contribution													
Interest													
Timed Repayment: Project													
Auto. Repayment													
Total Repayment													
Closing Balance													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
[illegible]													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
[illegible]													
Timed Contribution: Project													
Auto. Project Contribution													
Total Contribution													
Fixed Amount Loan Fees													
% Loan Fees													
Total Loan Fees													
Interest and Fees													
Timed Repayment: Project													
Auto. Repayment													
Total Repayment													
Closing Balance													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
[illegible]													
Opening Balance	16,162,866	16,146,086	16,129,221	16,112,273	16,095,239	16,078,120	16,060,916	16,043,626	16,026,249	16,008,785	15,991,234	15,973,595	15,955,868
Interest	80,814	80,730	80,646	80,561	80,476	80,391	80,305	80,218	80,131	80,044	79,956	79,868	79,779

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017698

Principal Repaid	16,781	16,865	16,949	17,034	17,119	17,204	17,290	17,377	17,464	17,551	17,639	17,727	17,816
Total P+I Payment	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595
Closing Balance	16,146,086	16,129,221	16,112,273	16,095,239	16,078,120	16,060,916	16,043,626	16,026,249	16,008,785	15,991,234	15,973,595	15,955,868	15,938,053
Net Cash Flow (IRR)	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,596	97,595	97,595	97,595
[illegible]													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
[illegible]													
Auto. Project Contribution													
Timed Contribution: Project													
Total Contribution													
Loan Fees													
Non-Mortgage Interest and Fees													
Auto. Repayment													
Timed Repayment: Project													
Total Repayment													
Closing Balance													
Profit Participation	15,730	15,730	15,730	15,730	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632
Net Cash Flow (IRR)	15,730	15,730	15,730	15,730	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632
Net Cash Flow (Equity IRR)	15,730	15,730	15,730	15,730	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632	19,632
Net Finance Cash Flow													
Cumulative Net Cash Flow	655,978	671,708	687,438	703,169	722,801	742,433	762,066	781,698	801,331	820,963	840,596	860,228	879,861

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017699

Revenue: Unit Sales													
Revenue: Rental Income	133,978	133,978	133,978	137,997	137,997	137,997	137,997	137,997	137,997	137,997	137,997	137,997	137,997
Revenue: Capitalized Rent													
Revenue: Other													
Total Revenue	133,978	133,978	133,978	137,997	137,997	137,997	137,997	137,997	137,997	137,997	137,997	137,997	137,997
Cash Outflows (Dev. Costs)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)
Net Cash Flow Pre-Finance (IRR)	117,227	117,227	117,227	121,247	121,247	121,247	121,247	121,247	121,247	121,247	121,247	121,247	121,247
Mortgage Funding													
Mortgage Repayment: Total P&I	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)
Reserve In	36,383	36,383	36,383	40,402	40,402	40,402	40,402	40,402	40,402	40,402	40,402	40,402	40,402
Reserve Out	(36,383)	(36,383)	(36,383)	(40,402)	(40,402)	(40,402)	(40,402)	(40,402)	(40,402)	(40,402)	(40,402)	(40,402)	(40,402)
Reserve Balance													
Available for Distribution	36,383	36,383	36,383	40,402	40,402	40,402	40,402	40,402	40,402	40,402	40,402	40,402	40,402
Timed Profit Distribution													
Auto. Profit for Distribution	19,632	19,632	19,632	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652
Profit Distribution to Order 3	19,632	19,632	19,632	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652
[illegible]													
Timed Profit Participation													
Profit	19,632	19,632	19,632	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652
[illegible]													
Timed Contribution: Project													
Auto. Project Contribution													
Total Contribution													
Interest													
Timed Repayment: Project													
Auto. Repayment													
Total Repayment													
Closing Balance													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
[illegible]													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
[illegible]													
Timed Contribution: Project													
Auto. Project Contribution													
Total Contribution													
Fixed Amount Loan Fees													
% Loan Fees													
Total Loan Fees													
Interest and Fees													
Timed Repayment: Project													
Auto. Repayment													
Total Repayment													
Closing Balance													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
[illegible]													
Opening Balance	15,938,053	15,920,148	15,902,154	15,884,070	15,865,895	15,847,630	15,829,273	15,810,824	15,792,284	15,773,650	15,754,923	15,736,103	15,717,189
Interest	79,690	79,601	79,511	79,420	79,329	79,238	79,146	79,054	78,961	78,868	78,775	78,681	78,586

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017700

FOIA CONFIDENTIAL TREATMENT REQUESTED

Principal Repaid	17,905	17,994	18,084	18,175	18,265	18,357	18,449	18,541	18,634	18,727	18,820	18,914	19,009
Total P+I Payment	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595
Closing Balance	15,920,148	15,902,154	15,884,070	15,865,895	15,847,630	15,829,273	15,810,824	15,792,284	15,773,650	15,754,923	15,736,103	15,717,189	15,698,180
Net Cash Flow (IRR)	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
Auto. Project Contribution													
Timed Contribution: Project													
Total Contribution													
Loan Fees													
Non-Mortgage Interest and Fees													
Auto. Repayment													
Timed Repayment: Project													
Total Repayment													
Closing Balance													
Profit Participation	19,632	19,632	19,632	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652
Net Cash Flow (IRR)	19,632	19,632	19,632	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652
Net Cash Flow (Equity IRR)	19,632	19,632	19,632	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652
Net Finance Cash Flow													
Cumulative Net Cash Flow	899,493	919,126	938,758	962,410	986,062	1,009,714	1,033,365	1,057,017	1,080,669	1,104,321	1,127,973	1,151,624	1,175,276

WMATA-INV 017701

Revenue: Unit Sales													
Revenue: Rental Income	137,997	137,997	142,137	142,137	142,137	142,137	142,137	142,137	142,137	142,137	142,137	142,137	142,137
Revenue: Capitalized Rent													
Revenue: Other													
Total Revenue	137,997	137,997	142,137	142,137	142,137	142,137	142,137	142,137	142,137	142,137	142,137	142,137	142,137
Cash Outflows (Dev. Costs)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)
Net Cash Flow Pre-Finance (IRR)	121,247	121,247	125,387	125,387	125,387	125,387	125,387	125,387	125,387	125,387	125,387	125,387	125,387
Mortgage Funding													
Mortgage Repayment: Total P&I	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)
Reserve In	40,402	40,402	44,542	44,542	44,542	44,542	44,542	44,542	44,542	44,542	44,542	44,542	44,542
Reserve Out	(40,402)	(40,402)	(44,542)	(44,542)	(44,542)	(44,542)	(44,542)	(44,542)	(44,542)	(44,542)	(44,542)	(44,542)	(44,542)
Reserve Balance													
Available for Distribution	40,402	40,402	44,542	44,542	44,542	44,542	44,542	44,542	44,542	44,542	44,542	44,542	44,542
Timed Profit Distribution													
Auto. Profit for Distribution	23,652	23,652	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792
Profit Distribution to Order 3	23,652	23,652	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792
Profit Distribution to Developer Entity													
Timed Profit Participation													
Profit	23,652	23,652	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792
Project Investment Equity													
Timed Contribution: Project													
Auto. Project Contribution													
Total Contribution													
Interest													
Timed Repayment: Project													
Auto. Repayment													
Total Repayment													
Closing Balance													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
Cash Flow Distribution to Equity													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
Interest Holiday Loan (IRR)													
Timed Contribution: Project													
Auto. Project Contribution													
Total Contribution													
Fixed Amount Loan Fees													
% Loan Fees													
Total Loan Fees													
Interest and Fees													
Timed Repayment: Project													
Auto. Repayment													
Total Repayment													
Closing Balance													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
Interest Mortgage IRR 6.2% - AUD													
Opening Balance	15,698,180	15,679,076	15,659,876	15,640,580	15,621,188	15,601,699	15,582,113	15,562,429	15,542,646	15,522,764	15,502,783	15,482,702	15,462,521
Interest	78,491	78,395	78,299	78,203	78,106	78,008	77,911	77,812	77,713	77,614	77,514	77,414	77,313

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017702

Principal Repaid	19,104	19,200	19,296	19,392	19,489	19,586	19,684	19,783	19,882	19,981	20,081	20,181	20,282
Total P+I Payment	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595
Closing Balance	15,679,076	15,659,876	15,640,580	15,621,188	15,601,699	15,582,113	15,562,429	15,542,646	15,522,764	15,502,783	15,482,702	15,462,521	15,442,238
Net Cash Flow (IRR)	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595
Auto. Operating Account: Project													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
Auto. Accounts: Project													
Auto. Project Contribution													
Timed Contribution: Project													
Total Contribution													
Loan Fees													
Non-Mortgage Interest and Fees													
Auto. Repayment													
Timed Repayment: Project													
Total Repayment													
Closing Balance													
Profit Participation	23,652	23,652	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792
Net Cash Flow (IRR)	23,652	23,652	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792
Net Cash Flow (Equity IRR)	23,652	23,652	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792	27,792
Net Finance Cash Flow													
Cumulative Net Cash Flow	1,198,928	1,222,580	1,250,372	1,278,163	1,305,955	1,333,747	1,361,538	1,389,330	1,417,122	1,444,914	1,472,705	1,500,497	1,528,289

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017703

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]													
Revenue: Unit Sales													
Revenue: Rental Income	142,137	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401
Revenue: Capitalized Rent													
Revenue: Other													
Total Revenue	142,137	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401	146,401
Cash Outflows (Dev. Costs)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)
Net Cash Flow Pre-Finance (IRR)	125,387	129,651	129,651	129,651	129,651	129,651	129,651	129,651	129,651	129,651	129,651	129,651	129,651
Mortgage Funding													
Mortgage Repayment: Total P&I	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)	(97,595)
Reserve In	44,542	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806
Reserve Out	(44,542)	(48,806)	(48,806)	(48,806)	(48,806)	(48,806)	(48,806)	(48,806)	(48,806)	(48,806)	(48,806)	(48,806)	(48,806)
Reserve Balance													
Available for Distribution	44,542	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806	48,806
Timed Profit Distribution													
Auto. Profit for Distribution	27,792	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056
Profit Distribution to Order 3	27,792	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056
[illegible]													
Timed Profit Participation													
Profit	27,792	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056
[illegible]													
Timed Contribution: Project													
Auto. Project Contribution													
Total Contribution													
Interest													
Timed Repayment: Project													
Auto. Repayment													
Total Repayment													
Closing Balance													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
[illegible]													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
[illegible]													
Timed Contribution: Project													
Auto. Project Contribution													
Total Contribution													
Fixed Amount Loan Fees													
% Loan Fees													
Total Loan Fees													
Interest and Fees													
Timed Repayment: Project													
Auto. Repayment													
Total Repayment													
Closing Balance													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
[illegible]													
Opening Balance	15,442,238	15,421,855	15,401,369	15,380,781	15,360,090	15,339,295	15,318,397	15,297,394	15,276,286	15,255,072	15,233,753	15,212,327	15,190,793
Interest	77,211	77,109	77,007	76,904	76,800	76,696	76,592	76,487	76,381	76,275	76,169	76,062	75,954

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017704

Principal Repaid	20,384	20,486	20,588	20,691	20,794	20,898	21,003	21,108	21,214	21,320	21,426	21,533	21,641
Total P+I Payment	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595
Closing Balance	15,421,855	15,401,369	15,380,781	15,360,090	15,339,295	15,318,397	15,297,394	15,276,286	15,255,072	15,233,753	15,212,327	15,190,793	15,169,152
Net Cash Flow (IRR)	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595	97,595
[illegible]													
Net Cash Flow (IRR)													
Cumulative Net Cash Flow													
[illegible]													
Auto. Project Contribution													
Timed Contribution: Project													
Total Contribution													
Loan Fees													
Non-Mortgage Interest and Fees													
Auto. Repayment													
Timed Repayment: Project													
Total Repayment													
Closing Balance													
Profit Participation	27,792	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056
Net Cash Flow (IRR)	27,792	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056
Net Cash Flow (Equity IRR)	27,792	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056	32,056
Net Finance Cash Flow													
Cumulative Net Cash Flow	1,556,080	1,588,136	1,620,192	1,652,248	1,684,304	1,716,359	1,748,415	1,780,471	1,812,527	1,844,583	1,876,639	1,908,694	1,940,750

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017705

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]				
Revenue: Unit Sales				
Revenue: Rental Income	150,793	150,793	150,793	
Revenue: Capitalized Rent				27,838,730
Revenue: Other				
Total Revenue	150,793	150,793	150,793	27,838,730
Cash Outflows (Dev. Costs)	(16,750)	(16,750)	(16,750)	(4,289,012)
Net Cash Flow Pre-Finance (IRR)	134,043	134,043	134,043	23,549,718
Mortgage Funding				
Mortgage Repayment: Total P&I	(97,595)	(97,595)	(97,595)	(15,179,096)
Reserve In	53,198	53,198	53,198	12,659,634
Reserve Out	(53,198)	(53,198)	(53,198)	(12,659,634)
Reserve Balance				
Available for Distribution	53,198	53,198	53,198	12,659,634
Timed Profit Distribution				
Auto. Profit for Distribution	36,448	36,448	36,448	8,370,622
Profit Distribution to Order 3	36,448	36,448	36,448	8,370,622
[illegible]				
Timed Profit Participation				
Profit	36,448	36,448	36,448	8,370,622
[illegible]				
Timed Contribution: Project				
Auto. Project Contribution				
Total Contribution				
Interest				
Timed Repayment: Project				
Auto. Repayment				
Total Repayment				
Closing Balance				
Net Cash Flow (IRR)				
Cumulative Net Cash Flow				
[illegible]				
Net Cash Flow (IRR)				
Cumulative Net Cash Flow				
[illegible]				
Timed Contribution: Project				
Auto. Project Contribution				
Total Contribution				
Fixed Amount Loan Fees				
% Loan Fees				
Total Loan Fees				
Interest and Fees				
Timed Repayment: Project				
Auto. Repayment				
Total Repayment				
Closing Balance				
Net Cash Flow (IRR)				
Cumulative Net Cash Flow				
[illegible]				
Opening Balance	15,169,152	15,147,403	15,125,545	15,103,578
Interest	75,846	75,737	75,628	75,518

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017706

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Principal Repaid	21,749	21,858	21,967	15,103,578
Total P+I Payment	97,595	97,595	97,595	15,179,096
Closing Balance	15,147,403	15,125,545	15,103,578	0
Net Cash Flow (IRR)	97,595	97,595	97,595	15,179,096
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net Cash Flow (IRR)				
Cumulative Net Cash Flow				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Auto. Project Contribution				
Timed Contribution: Project				
Total Contribution				
Loan Fees				
Non-Mortgage Interest and Fees				
Auto. Repayment				
Timed Repayment: Project				
Total Repayment				
Closing Balance				
Profit Participation	36,448	36,448	36,448	8,370,622
Net Cash Flow (IRR)	36,448	36,448	36,448	8,370,622
Net Cash Flow (Equity IRR)	36,448	36,448	36,448	8,370,622
Net Finance Cash Flow				
Cumulative Net Cash Flow	1,977,198	2,013,646	2,050,094	10,420,716

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017707

*** Slip Sheet ***

Document

1920 8th Street NW

Monthly IRR = 0.62% Annualized IRR = 7.49% (Mo x 12)

10 Year Cash Flow Projection

Heading	Category	Total	07-Sep	07-Oct 1	07-Nov 2	07-Dec 3	08-Jan 4	08-Feb 5	08-Mar 6	08-Apr 7	08-May 8	08-Jun 9
Revenue												
R Flow - Office Space	7	7,212,974	0	0	0	0	0	0	0	0	0	0
R Flow - Tuck-under Parking	7	352,945	0	0	0	0	0	0	0	0	0	0
R Flow - Retail Space	7	2,113,484	0	0	0	0	0	0	0	0	0	0
Cap - Office Space	4	21,143,164	0	0	0	0	0	0	0	0	0	0
Cap - Tuck-under Parking	4	958,133	0	0	0	0	0	0	0	0	0	0
Cap - Retail Space	4	5,737,434	0	0	0	0	0	0	0	0	0	0
Total for Revenue		**37,518,132**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Disposal Costs												
Purchaser's Costs	8	0	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	9	-835,162	0	0	0	0	0	0	0	0	0	0
Total for Disposal Costs		**-835,162**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Acquisition Costs												
8th Street Land Option (Year 10)	86	-3,420,000	0	0	0	0	0	0	0	0	0	0
8th St 1st Year Ground Lease	86	-325,000	0	-250,000	-6,250	-6,250	-6,250	-6,250	-6,250	-6,250	-6,250	-6,250
8th St Ground Lease Renewal 1-4	86	-600,000	0	0	0	0	0	0	0	0	0	0
8th St Ground Lease Renewal 5-9	86	-1,000,020	0	0	0	0	0	0	0	0	0	0
Arts Credits (assume no bonus)	86	-250,000	0	0	0	0	0	0	0	0	0	0
8th St Combination Fee	86	-30,000	0	0	0	0	0	0	0	-30,000	0	0
8th Street Resubordination Fee	86	-175,000	0	0	0	0	0	0	0	0	0	0
8th Street RE Tax pre-construction	86	-203,500	0	-25,438	0	0	0	0	0	-25,438	0	0
Third Party Reports	20	-50,000	0	0	0	0	0	0	0	0	0	0
Title Insurance	21	-27,975	0	-1,250	-31	-31	-31	-31	-31	-31	-31	-31
Total for Acquisition Costs		**-6,081,495**	**0**	**-276,688**	**-6,281**	**-6,281**	**-6,281**	**-6,281**	**-6,281**	**-61,719**	**-6,281**	**-6,281**
Construction Costs												
Metro Site Work	28	-250,000	0	0	0	0	0	0	0	0	0	0
Con. - Office Space	24	-5,837,924	0	0	0	0	0	0	0	0	0	0
Con. - Tuck-under Parking	24	-320,843	0	0	0	0	0	0	0	0	0	0
Con. - Retail Space	24	-1,180,619	0	0	0	0	0	0	0	0	0	0
Insurance	79	-36,697	0	0	0	0	0	0	0	0	0	0
RE Tax during Construction	84	-60,000	0	0	0	0	0	0	0	0	0	0
Contingency	25	-733,939	0	0	0	0	0	0	0	0	0	0
Permits	29	-50,000	0	0	0	0	0	0	0	0	0	0
Permits	29	-110,091	0	0	0	0	0	0	0	0	0	0
Total for Construction Costs		**-8,580,112**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TI Costs												
TI Cost Area Rate - Office Space	96	-2,454,071	0	0	0	0	0	0	0	0	0	0
TI Cost Area Rate - Retail Space	96	-535,415	0	0	0	0	0	0	0	0	0	0
Total for TI Costs		**-2,989,487**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Professional Fees												
Architect + Engineer	32	-450,000	0	0	0	0	0	0	0	-28,125	-28,125	-28,125
Legal	37	-110,091	0	0	0	0	0	0	0	-4,587	-4,587	-4,587
Soft Cost Contingency	38	-80,688	0	-281	-281	-281	-281	-281	-281	-281	-281	-281
Total for Professional Fees		**-640,779**	**0**	**-281**	**-281**	**-281**	**-281**	**-281**	**-281**	**-32,993**	**-32,993**	**-32,993**
Marketing/Leasing												
Marketing	40	-50,000	0	0	0	0	0	0	0	0	0	0
Leasing Cost	41	0	0	0	0	0	0	0	0	0	0	0
Leasing Legal Fees	42	-29,266	0	0	0	0	0	0	0	0	0	0
Lease Comm - Office Space	94	-630,949	0	0	0	0	0	0	0	0	0	0
Lease Comm - Tuck-under Parking	94	-29,896	0	0	0	0	0	0	0	0	0	0
Lease Comm - Retail Space	94	-179,023	0	0	0	0	0	0	0	0	0	0
Rent Review Fee	77	0	0	0	0	0	0	0	0	0	0	0
Total for Marketing/Leasing		**-919,134**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Development Management Fee												
Dev. Management Fee	85	-236,984	0	0	0	0	0	0	0	-5,266	-5,266	-5,266
Total for Development Management Fee		**-236,984**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-5,266**	**-5,266**	**-5,266**
Finance Details												
Net period total		17,234,979	0	-276,968	-6,562	-6,562	-6,562	-6,562	-6,562	-99,978	-44,540	-44,540
Period Total for Interest			0	-275,438	-283,218	-289,780	-296,342	-302,904	-309,466	-371,465	-968,266	-1,012,806
Total Interest + Fees (All Loans)		-1,862,298	0	0	0	0	0	0	0	-552,261	0	0
Period Total For IRR		10,420,716	0	-276,968	-6,562	-6,562	-6,562	-6,562	-6,562	-652,238	-44,540	-44,540
Cumulative Total C/F		10,420,716	0	-276,968	-283,530	-290,092	-296,654	-303,216	-309,777	-962,016	-1,006,556	-1,051,096

CONFIDENTIAL

LA 00001545

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017709

FOIA CONFIDENTIAL TREATMENT REQUESTED

Heading	Category	08-Jul 10	08-Aug 11	08-Sep 12	08-Oct 13	08-Nov 14	08-Dec 15	09-Jan 16	09-Feb 17	09-Mar 18	09-Apr 19	09-May 20
Revenue												
R Flow - Office Space	7	0	0	0	0	0	0	0	0	0	0	0
R Flow - Tuck-under Parking	7	0	0	0	0	0	0	0	0	0	0	0
R Flow - Retail Space	7	0	0	0	0	0	0	0	0	0	0	0
Cap - Office Space	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Tuck-under Parking	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Retail Space	4	0	0	0	0	0	0	0	0	0	0	0
Total for Revenue		0	0	0	0	0	0	0	0	0	0	0
Disposal Costs												
Purchaser's Costs	8	0	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	9	0	0	0	0	0	0	0	0	0	0	0
Total for Disposal Costs		0	0	0	0	0	0	0	0	0	0	0
Acquisition Costs												
8th Street Land Option (Year 10)	86	0	0	0	0	0	0	0	0	0	0	0
8th St 1st Year Ground Lease	86	-6,250	-6,250	-6,250	-6,250	0	0	0	0	0	0	0
8th St Ground Lease Renewal 1-4	86	0	0	0	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500
8th St Ground Lease Renewal 5-9	86	0	0	0	0	0	0	0	0	0	0	0
Arts Credits (assume no bonus)	86	0	0	0	0	0	0	0	0	0	0	0
8th St Combination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street Resubordination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street RE Tax pre-construction	86	0	0	0	-25,438	0	0	0	0	0	-25,438	0
Third Party Reports	20	0	0	0	-50,000	0	0	0	0	0	0	0
Title Insurance	21	-31	-31	-31	-94	-62	-62	-62	-62	-62	-62	-62
Total for Acquisition Costs		-6,281	-6,281	-6,281	-94,281	-12,562	-12,562	-12,562	-12,562	-12,562	-38,000	-12,562
Construction Costs												
Metro Site Work	28	0	0	0	0	0	0	0	0	0	0	0
Con. - Office Space	24	0	0	0	0	0	0	0	0	0	0	0
Con. - Tuck-under Parking	24	0	0	0	0	0	0	0	0	0	0	0
Con. - Retail Space	24	0	0	0	0	0	0	0	0	0	0	0
Insurance	79	0	0	0	0	0	0	0	0	0	0	0
RE Tax during Construction	84	0	0	0	0	0	0	0	0	0	0	0
Contingency	25	0	0	0	0	0	0	0	0	0	0	0
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Total for Construction Costs		0	0	0	0	0	0	0	0	0	0	0
TI Costs												
TI Cost Area Rate - Office Space	96	0	0	0	0	0	0	0	0	0	0	0
TI Cost Area Rate - Retail Space	96	0	0	0	0	0	0	0	0	0	0	0
Total for TI Costs		0	0	0	0	0	0	0	0	0	0	0
Professional Fees												
Architect + Engineer	32	-28,125	-28,125	-28,125	-28,125	-28,125	-28,125	-28,125	-28,125	-28,125	-28,125	-28,125
Legal	37	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587
Soft Cost Contingency	38	-281	-281	-281	-2,526	-281	-281	-281	-2,880	-2,880	-2,880	-2,880
Total for Professional Fees		-32,993	-32,993	-32,993	-35,238	-32,993	-32,993	-32,993	-35,592	-35,592	-35,592	-35,592
Marketing/Leasing												
Marketing	40	0	0	0	0	0	0	0	0	0	0	0
Leasing Cost	41	0	0	0	0	0	0	0	0	0	0	0
Leasing Legal Fees	42	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Office Space	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Tuck-under Parking	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Retail Space	94	0	0	0	0	0	0	0	0	0	0	0
Rent Review Fee	77	0	0	0	0	0	0	0	0	0	0	0
Total for Marketing/Leasing		0	0	0	0	0	0	0	0	0	0	0
Development Management Fee												
Dev. Management Fee	85	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266
Total for Development Management Fee		-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266
Finance Details												
Net period total		-44,540	-44,540	-44,540	-134,785	-50,822	-50,822	-50,822	-53,421	-53,421	-78,858	-53,421
Period Total for Interest		-1,057,346	-1,101,887	-1,146,427	-1,228,905	-1,332,003	-1,382,824	-1,433,646	-1,484,467	-1,537,888	-1,616,746	-1,670,228
Total Interest + Fees (All Loans)		0	0	0	0	0	0	0	0	0	-62	-457
Period Total For IRR		-44,540	-44,540	-44,540	-134,785	-50,822	-50,822	-50,822	-53,421	-53,421	-78,920	-53,877
Cumulative Total C/F		-1,095,637	-1,140,177	-1,184,717	-1,319,503	-1,370,324	-1,421,146	-1,471,967	-1,525,388	-1,578,808	-1,657,728	-1,711,605

CONFIDENTIAL

LA 00001546

WMATA-INV 017710

Heading	Category	09-Jun 21	09-Jul 22	09-Aug 23	09-Sep 24	09-Oct 25	09-Nov 26	09-Dec 27	10-Jan 28	10-Feb 29	10-Mar 30	10-Apr 31
Revenue												
R Flow - Office Space	7	0	0	0	0	0	0	0	0	0	0	0
R Flow - Tuck-under Parking	7	0	0	0	0	0	0	0	0	0	0	0
R Flow - Retail Space	7	0	0	0	0	0	0	0	0	0	0	0
Cap - Office Space	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Tuck-under Parking	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Retail Space	4	0	0	0	0	0	0	0	0	0	0	0
Total for Revenue		0	0	0	0	0	0	0	0	0	0	0
Disposal Costs												
Purchaser's Costs	8	0	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	9	0	0	0	0	0	0	0	0	0	0	0
Total for Disposal Costs		0	0	0	0	0	0	0	0	0	0	0
Acquisition Costs												
8th Street Land Option (Year 10)	86	0	0	0	0	0	0	0	0	0	0	0
8th St 1st Year Ground Lease	86	0	0	0	0	0	0	0	0	0	0	0
8th St Ground Lease Renewal 1-4	86	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500
8th St Ground Lease Renewal 5-9	86	0	0	0	0	0	0	0	0	0	0	0
Arts Credits (assume no bonus)	86	0	0	0	0	0	0	0	0	0	0	-250,000
8th St Combination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street Resubordination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street RE Tax pre-construction	86	0	0	0	0	-25,438	0	0	0	0	0	-25,438
Third Party Reports	20	0	0	0	0	0	0	0	0	0	0	0
Title Insurance	21	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-1,312
Total for Acquisition Costs		-12,562	-12,562	-12,562	-12,562	-38,000	-12,562	-12,562	-12,562	-12,562	-12,562	-289,250
Construction Costs												
Metro Site Work	28	0	0	0	0	0	0	0	0	0	0	-250,000
Con. - Office Space	24	0	0	0	0	0	0	0	0	0	0	-124,418
Con. - Tuck-under Parking	24	0	0	0	0	0	0	0	0	0	0	-6,838
Con. - Retail Space	24	0	0	0	0	0	0	0	0	0	0	-25,161
Insurance	79	0	0	0	0	0	0	0	0	0	0	-782
RE Tax during Construction	84	0	0	0	0	0	0	0	0	0	0	-1,297
Contingency	25	0	0	0	0	0	0	0	0	0	0	-15,867
Permits	29	0	0	0	0	0	0	0	0	0	0	-50,000
Permits	29	0	0	0	0	0	0	0	0	0	0	-110,091
Total for Construction Costs		0	0	0	0	0	0	0	0	0	0	-584,455
TI Costs												
TI Cost Area Rate - Office Space	96	0	0	0	0	0	0	0	0	0	0	0
TI Cost Area Rate - Retail Space	96	0	0	0	0	0	0	0	0	0	0	0
Total for TI Costs		0	0	0	0	0	0	0	0	0	0	0
Professional Fees												
Architect + Engineer	32	-28,125	-28,125	0	0	0	0	0	0	0	0	0
Legal	37	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	-4,587	0
Soft Cost Contingency	38	-2,880	-2,880	-2,880	-2,880	-2,880	-2,880	-2,880	-2,880	-2,880	-2,880	-2,880
Total for Professional Fees		-35,592	-35,592	-7,467	-7,467	-7,467	-7,467	-7,467	-7,467	-7,467	-7,467	-2,880
Marketing/Leasing												
Marketing	40	0	0	0	0	0	0	0	0	0	0	-4,167
Leasing Cost	41	0	0	0	0	0	0	0	0	0	0	0
Leasing Legal Fees	42	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Office Space	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Tuck-under Parking	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Retail Space	94	0	0	0	0	0	0	0	0	0	0	0
Rent Review Fee	77	0	0	0	0	0	0	0	0	0	0	0
Total for Marketing/Leasing		0	0	0	0	0	0	0	0	0	0	-4,167
Development Management Fee												
Dev. Management Fee	85	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266
Total for Development Management Fee		-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266
Finance Details												
Net period total		-53,421	-53,421	-25,296	-25,296	-50,733	-25,296	-25,296	-25,296	-25,296	-25,296	-886,017
Period Total for Interest		-1,724,105	-1,778,252	-1,832,669	-1,859,233	-1,911,368	-1,938,198	-1,965,290	-1,992,518	-2,019,881	-2,047,382	-2,350,457
Total Interest + Fees (All Loans)		-726	-997	-1,269	-1,402	-1,535	-1,796	-1,932	-2,068	-2,205	-2,342	-2,481
Period Total For IRR		-54,146	-54,417	-26,564	-26,697	-52,268	-27,092	-27,227	-27,364	-27,500	-27,638	-888,498
Cumulative Total C/F		-1,765,752	-1,820,169	-1,846,733	-1,873,430	-1,925,698	-1,952,790	-1,980,018	-2,007,381	-2,034,882	-2,062,519	-2,951,017

CONFIDENTIAL

LA 00001547

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017711

FOIA CONFIDENTIAL TREATMENT REQUESTED

Heading	Category	10-May 32	10-Jun 33	10-Jul 34	10-Aug 35	10-Sep 36	10-Oct 37	10-Nov 38	10-Dec 39	11-Jan 40	11-Feb 41	11-Mar 42
Revenue												
R Flow - Office Space	7	0	0	0	0	0	0	0	0	0	0	0
R Flow - Tuck-under Parking	7	0	0	0	0	0	0	0	0	0	0	0
R Flow - Retail Space	7	0	0	0	0	0	0	0	0	0	0	0
Cap - Office Space	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Tuck-under Parking	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Retail Space	4	0	0	0	0	0	0	0	0	0	0	0
Total for Revenue		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Disposal Costs												
Purchaser's Costs	8	0	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	9	0	0	0	0	0	0	0	0	0	0	0
Total for Disposal Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Acquisition Costs												
8th Street Land Option (Year 10)	86	0	0	0	0	0	0	0	0	0	0	0
8th St 1st Year Ground Lease	86	0	0	0	0	0	0	0	0	0	0	0
8th St Ground Lease Renewal 1-4	86	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500
8th St Ground Lease Renewal 5-9	86	0	0	0	0	0	0	0	0	0	0	0
Arts Credits (assume no bonus)	86	0	0	0	0	0	0	0	0	0	0	0
8th St Combination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street Resubordination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street RE Tax pre-construction	86	0	0	0	0	0	-25,438	0	0	0	0	0
Third Party Reports	20	0	0	0	0	0	0	0	0	0	0	0
Title Insurance	21	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62
Total for Acquisition Costs		**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-38,000**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**
Construction Costs												
Metro Site Work	28	0	0	0	0	0	0	0	0	0	0	0
Con. - Office Space	24	-294,891	-434,496	-543,003	-620,178	-665,789	-679,599	-661,373	-610,873	-527,862	-412,099	-263,343
Con. - Tuck-under Parking	24	-16,207	-23,879	-29,843	-34,084	-36,591	-37,350	-36,348	-33,573	-29,010	-22,648	-14,473
Con. - Retail Space	24	-59,637	-87,869	-109,813	-125,420	-134,644	-137,437	-133,751	-123,539	-106,751	-83,340	-53,257
Insurance	79	-1,854	-2,731	-3,413	-3,898	-4,185	-4,272	-4,157	-3,840	-3,318	-2,590	-1,655
RE Tax during Construction	84	-3,067	-4,508	-5,620	-6,402	-6,856	-6,981	-6,777	-6,245	-5,383	-4,192	-2,672
Contingency	25	-37,515	-55,139	-68,740	-78,316	-83,869	-85,398	-82,903	-76,385	-65,843	-51,276	-32,687
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Total for Construction Costs		**-413,170**	**-608,623**	**-760,431**	**-868,300**	**-931,934**	**-951,037**	**-925,310**	**-854,454**	**-738,166**	**-576,145**	**-368,087**
TI Costs												
TI Cost Area Rate - Office Space	96	0	0	0	0	0	0	0	0	0	0	0
TI Cost Area Rate - Retail Space	96	0	0	0	0	0	0	0	0	0	0	0
Total for TI Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Professional Fees												
Architect + Engineer	32	0	0	0	0	0	0	0	0	0	0	0
Legal	37	0	0	0	0	0	0	0	0	0	0	0
Soft Cost Contingency	38	-2,880	-520	-520	-520	-520	-520	-520	-520	-520	-520	-520
Total for Professional Fees		**-2,880**	**-520**	**-520**	**-520**	**-520**	**-520**	**-520**	**-520**	**-520**	**-520**	**-520**
Marketing/Leasing												
Marketing	40	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167
Leasing Cost	41	0	0	0	0	0	0	0	0	0	0	0
Leasing Legal Fees	42	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Office Space	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Tuck-under Parking	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Retail Space	94	0	0	0	0	0	0	0	0	0	0	0
Rent Review Fee	77	0	0	0	0	0	0	0	0	0	0	0
Total for Marketing/Leasing		**-4,167**	**-4,167**	**-4,167**	**-4,167**	**-4,167**	**-4,167**	**-4,167**	**-4,167**	**-4,167**	**-4,167**	**-4,167**
Development Management Fee												
Dev. Management Fee	85	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266
Total for Development Management Fee		**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**
Finance Details												
Net period total		-438,045	-631,138	-782,946	-890,815	-954,449	-998,990	-947,825	-876,969	-760,681	-598,661	-390,602
Period Total for Interest		-2,963,517	-3,408,485	-4,048,771	-4,844,067	-5,751,208	-6,751,956	-7,751,246	-8,729,933	-9,642,657	-10,443,657	-11,086,641
Total Interest + Fees (All Loans)		-6,923	-9,148	-12,349	-16,326	-20,861	-25,738	-30,862	-35,755	-40,319	-44,324	-47,539
Period Total For IRR		-444,968	-640,286	-795,296	-907,141	-975,311	-1,024,728	-978,687	-912,724	-801,000	-642,984	-438,141
Cumulative Total C/F		-3,395,985	-4,036,271	-4,831,567	-5,738,708	-6,714,018	-7,738,746	-8,717,433	-9,630,157	-10,431,157	-11,074,141	-11,512,282

CONFIDENTIAL

LA 00001548

WMATA-INV 017712

Heading	Category	11-Apr	11-May	11-Jun	11-Jul	11-Aug	11-Sep	11-Oct	11-Nov	11-Dec	12-Jan	12-Feb
		43	44	45	46	47	48	49	50	51	52	53
Revenue												
R Flow - Office Space	7	0	0	0	0	0	0	0	0	95,913	95,913	95,913
R Flow - Tuck-under Parking	7	0	0	4,346	4,346	4,346	4,346	4,346	4,346	4,346	4,346	4,346
R Flow - Retail Space	7	0	0	26,027	26,027	26,027	26,027	26,027	26,027	26,027	26,027	26,027
Cap - Office Space	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Tuck-under Parking	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Retail Space	4	0	0	0	0	0	0	0	0	0	0	0
Total for Revenue		**0**	**0**	**30,374**	**30,374**	**30,374**	**30,374**	**30,374**	**30,374**	**126,287**	**126,287**	**126,287**
Disposal Costs												
Purchaser's Costs	8	0	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	9	0	0	0	0	0	0	0	0	0	0	0
Total for Disposal Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Acquisition Costs												
8th Street Land Option (Year 10)	86	0	0	0	0	0	0	0	0	0	0	0
8th St 1st Year Ground Lease	86	0	0	0	0	0	0	0	0	0	0	0
8th St Ground Lease Renewal 1-4	86	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500
8th St Ground Lease Renewal 5-9	86	0	0	0	0	0	0	0	0	0	0	0
Arts Credits (assume no bonus)	86	0	0	0	0	0	0	0	0	0	0	0
8th St Combination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street Resubordination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street RE Tax pre-construction	86	-25,438	0	0	0	0	0	0	0	0	0	0
Third Party Reports	20	0	0	0	0	0	0	0	0	0	0	0
Title Insurance	21	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62
Total for Acquisition Costs		**-38,000**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**	**-12,562**
Construction Costs												
Metro Site Work	28	0	0	0	0	0	0	0	0	0	0	0
Con. - Office Space	24	0	0	0	0	0	0	0	0	0	0	0
Con. - Tuck-under Parking	24	0	0	0	0	0	0	0	0	0	0	0
Con. - Retail Space	24	0	0	0	0	0	0	0	0	0	0	0
Insurance	79	0	0	0	0	0	0	0	0	0	0	0
RE Tax during Construction	84	0	0	0	0	0	0	0	0	0	0	0
Contingency	25	0	0	0	0	0	0	0	0	0	0	0
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Total for Construction Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TI Costs												
TI Cost Area Rate - Office Space	96	0	0	-2,454,071	0	0	0	0	0	0	0	0
TI Cost Area Rate - Retail Space	96	0	0	-535,415	0	0	0	0	0	0	0	0
Total for TI Costs		**0**	**0**	**-2,989,487**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Professional Fees												
Architect + Engineer	32	0	0	0	0	0	0	0	0	0	0	0
Legal	37	0	0	0	0	0	0	0	0	0	0	0
Soft Cost Contingency	38	-520	-520	-17,016	-287	-344	-222	-265	-299	-326	-344	-354
Total for Professional Fees		**-520**	**-520**	**-17,016**	**-287**	**-344**	**-222**	**-265**	**-299**	**-326**	**-344**	**-354**
Marketing/Leasing												
Marketing	40	0	0	0	0	0	0	0	0	0	0	0
Leasing Cost	41	0	0	0	0	0	0	0	0	0	0	0
Leasing Legal Fees	42	0	0	-29,266	0	0	0	0	0	0	0	0
Lease Comm - Office Space	94	0	0	-630,949	0	0	0	0	0	0	0	0
Lease Comm - Tuck-under Parking	94	0	0	-29,896	0	0	0	0	0	0	0	0
Lease Comm - Retail Space	94	0	0	-179,023	0	0	0	0	0	0	0	0
Rent Review Fee	77	0	0	0	0	0	0	0	0	0	0	0
Total for Marketing/Leasing		**0**	**0**	**-869,134**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Development Management Fee												
Dev. Management Fee	85	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	-5,266	0	0
Total for Development Management Fee		**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**-5,266**	**0**	**0**
Finance Details												
Net period total		-43,786	-18,348	-3,863,092	12,258	12,200	12,323	12,280	12,246	108,132	113,380	113,370
Period Total for Interest		-11,550,219	-11,618,297	-11,656,469	-15,570,100	-15,627,950	-15,686,147	-15,744,512	-15,803,212	-15,766,326	-15,729,762	-15,687,768
Total Interest + Fees (All Loans)		-49,729	-50,197	-50,540	-70,108	-70,397	-70,688	-70,980	-71,273	-71,568	-71,386	-71,176
Period Total For IRR		-93,515	-68,545	-3,913,632	-57,850	-58,197	-58,366	-58,700	-59,028	36,564	41,995	42,194
Cumulative Total C/F		-11,605,797	-11,674,342	-15,587,974	-15,645,824	-15,704,020	-15,762,386	-15,821,086	-15,880,113	-15,843,549	-15,801,555	-15,759,360

CONFIDENTIAL

LA 00001549

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017713

FOIA CONFIDENTIAL TREATMENT REQUESTED

Heading	Category	12-Mar 54	12-Apr 55	12-May 56	12-Jun 57	12-Jul 58	12-Aug 59	12-Sep 60	12-Oct 61	12-Nov 62	12-Dec 63	13-Jan 64
Revenue												
R Flow - Office Space	7	95,913	95,913	95,913	98,791	98,791	98,791	98,791	98,791	98,791	98,791	98,791
R Flow - Tuck-under Parking	7	4,346	4,346	4,346	4,477	4,477	4,477	4,477	4,477	4,477	4,477	4,477
R Flow - Retail Space	7	26,027	26,027	26,027	26,808	26,808	26,808	26,808	26,808	26,808	26,808	26,808
Cap - Office Space	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Tuck-under Parking	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Retail Space	4	0	0	0	0	0	0	0	0	0	0	0
Total for Revenue		**126,287**	**126,287**	**126,287**	**130,075**	**130,075**	**130,075**	**130,075**	**130,075**	**130,075**	**130,075**	**130,075**
Disposal Costs												
Purchaser's Costs	8	0	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	9	0	0	0	0	0	0	0	0	0	0	0
Total for Disposal Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Acquisition Costs												
8th Street Land Option (Year 10)	86	0	0	0	0	0	0	0	0	0	0	0
8th St 1st Year Ground Lease	86	0	0	0	0	0	0	0	0	0	0	0
8th St Ground Lease Renewal 1-4	86	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	-12,500	0	0	0	0
8th St Ground Lease Renewal 5-9	86	0	0	0	0	0	0	0	-16,667	-16,667	-16,667	-16,667
Arts Credits (assume no bonus)	86	0	0	0	0	0	0	0	0	0	0	0
8th St Combination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street Resubordination Fee	86	0	0	0	-175,000	0	0	0	0	0	0	0
8th Street RE Tax pre-construction	86	0	0	0	0	0	0	0	0	0	0	0
Third Party Reports	20	0	0	0	0	0	0	0	0	0	0	0
Title Insurance	21	-62	-62	-62	-62	-62	-62	-62	-83	-83	-83	-83
Total for Acquisition Costs		**-12,562**	**-12,562**	**-12,562**	**-187,562**	**-12,562**	**-12,562**	**-12,562**	**-16,750**	**-16,750**	**-16,750**	**-16,750**
Construction Costs												
Metro Site Work	28	0	0	0	0	0	0	0	0	0	0	0
Con. - Office Space	24	0	0	0	0	0	0	0	0	0	0	0
Con. - Tuck-under Parking	24	0	0	0	0	0	0	0	0	0	0	0
Con. - Retail Space	24	0	0	0	0	0	0	0	0	0	0	0
Insurance	79	0	0	0	0	0	0	0	0	0	0	0
RE Tax during Construction	84	0	0	0	0	0	0	0	0	0	0	0
Contingency	25	0	0	0	0	0	0	0	0	0	0	0
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Total for Construction Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TI Costs												
TI Cost Area Rate - Office Space	96	0	0	0	0	0	0	0	0	0	0	0
TI Cost Area Rate - Retail Space	96	0	0	0	0	0	0	0	0	0	0	0
Total for TI Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Professional Fees												
Architect + Engineer	32	0	0	0	0	0	0	0	0	0	0	0
Legal	37	0	0	0	0	0	0	0	0	0	0	0
Soft Cost Contingency	38	-356	-350	-335	-312	-279	-238	-188	-128	0	0	0
Total for Professional Fees		**-356**	**-350**	**-335**	**-312**	**-279**	**-238**	**-188**	**-128**	**0**	**0**	**0**
Marketing / Leasing												
Marketing	40	0	0	0	0	0	0	0	0	0	0	0
Leasing Cost	41	0	0	0	0	0	0	0	0	0	0	0
Leasing Legal Fees	42	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Office Space	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Tuck-under Parking	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Retail Space	94	0	0	0	0	0	0	0	0	0	0	0
Rent Review Fee	77	0	0	0	0	0	0	0	0	0	0	0
Total for Marketing/Leasing		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Development Management Fee												
Dev. Management Fee	85	0	0	0	0	0	0	0	0	0	0	0
Total for Development Management Fee		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Finance Details												
Net period total		113,368	113,374	113,389	-57,799	117,234	117,275	117,325	113,197	113,325	113,325	113,325
Period Total for Interest		-15,645,573	-15,603,170	-15,560,549	-15,688,910	-15,642,034	-15,606,191	-15,570,225	-15,538,294	-15,506,243	-15,473,982	-15,441,638
Total Interest + Fees (All Loans)		-70,965	-70,753	-70,540	-70,325	0	0	0	0	0	0	0
Period Total For IRR		42,403	42,622	42,850	-128,124	35,844	35,966	36,098	32,051	32,262	32,344	32,427
Cumulative Total C/F		-15,716,957	-15,674,335	-15,631,486	-15,759,610	-15,723,766	-15,687,800	-15,651,703	-15,619,652	-15,587,390	-15,555,046	-15,522,619

CONFIDENTIAL

LA 00001550

WMATA-INV 017714

Heading	Category	13-Feb	13-Mar	13-Apr	13-May	13-Jun	13-Jul	13-Aug	13-Sep	13-Oct	13-Nov	13-Dec
		65	66	67	68	69	70	71	72	73	74	75
Revenue												
R Flow - Office Space	7	98,791	98,791	98,791	98,791	101,754	101,754	101,754	101,754	101,754	101,754	101,754
R Flow - Tuck-under Parking	7	4,477	4,477	4,477	4,477	4,611	4,611	4,611	4,611	4,611	4,611	4,611
R Flow - Retail Space	7	26,808	26,808	26,808	26,808	27,612	27,612	27,612	27,612	27,612	27,612	27,612
Cap - Office Space	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Tuck-under Parking	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Retail Space	4	0	0	0	0	0	0	0	0	0	0	0
Total for Revenue		**130,075**	**130,075**	**130,075**	**130,075**	**133,978**	**133,978**	**133,978**	**133,978**	**133,978**	**133,978**	**133,978**
Disposal Costs												
Purchaser's Costs	8	0	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	9	0	0	0	0	0	0	0	0	0	0	0
Total for Disposal Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Acquisition Costs												
8th Street Land Option (Year 10)	86	0	0	0	0	0	0	0	0	0	0	0
8th St 1st Year Ground Lease	86	0	0	0	0	0	0	0	0	0	0	0
8th St Ground Lease Renewal 1-4	86	0	0	0	0	0	0	0	0	0	0	0
8th St Ground Lease Renewal 5-9	86	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667
Arts Credits (assume no bonus)	86	0	0	0	0	0	0	0	0	0	0	0
8th St Combination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street Resubordination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street RE Tax pre-construction	86	0	0	0	0	0	0	0	0	0	0	0
Third Party Reports	20	0	0	0	0	0	0	0	0	0	0	0
Title Insurance	21	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83
Total for Acquisition Costs		**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**
Construction Costs												
Metro Site Work	28	0	0	0	0	0	0	0	0	0	0	0
Con. - Office Space	24	0	0	0	0	0	0	0	0	0	0	0
Con. - Tuck-under Parking	24	0	0	0	0	0	0	0	0	0	0	0
Con. - Retail Space	24	0	0	0	0	0	0	0	0	0	0	0
Insurance	79	0	0	0	0	0	0	0	0	0	0	0
RE Tax during Construction	84	0	0	0	0	0	0	0	0	0	0	0
Contingency	25	0	0	0	0	0	0	0	0	0	0	0
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Total for Construction Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TI Costs												
TI Cost Area Rate - Office Space	96	0	0	0	0	0	0	0	0	0	0	0
TI Cost Area Rate - Retail Space	96	0	0	0	0	0	0	0	0	0	0	0
Total for TI Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Professional Fees												
Architect + Engineer	32	0	0	0	0	0	0	0	0	0	0	0
Legal	37	0	0	0	0	0	0	0	0	0	0	0
Soft Cost Contingency	38	0	0	0	0	0	0	0	0	0	0	0
Total for Professional Fees		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Marketing/Leasing												
Marketing	40	0	0	0	0	0	0	0	0	0	0	0
Leasing Cost	41	0	0	0	0	0	0	0	0	0	0	0
Leasing Legal Fees	42	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Office Space	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Tuck-under Parking	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Retail Space	94	0	0	0	0	0	0	0	0	0	0	0
Rent Review Fee	77	0	0	0	0	0	0	0	0	0	0	0
Total for Marketing/Leasing		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Development Management Fee												
Dev. Management Fee	85	0	0	0	0	0	0	0	0	0	0	0
Total for Development Management Fee		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Finance Details												
Net period total		113,325	113,325	113,325	113,325	117,227	117,227	117,227	117,227	117,227	117,227	117,227
Period Total for Interest		-15,409,210	-15,376,699	-15,344,105	-15,311,426	-15,274,760	-15,238,008	-15,201,172	-15,164,249	-15,127,240	-15,090,143	-15,052,960
Total Interest + Fees (All Loans)		0	0	0	0	0	0	0	0	0	0	0
Period Total For IRR		32,511	32,595	32,679	32,764	36,751	36,837	36,923	37,009	37,096	37,183	37,271
Cumulative Total C/F		-15,490,108	-15,457,513	-15,424,834	-15,392,070	-15,355,319	-15,318,482	-15,281,560	-15,244,550	-15,207,454	-15,170,271	-15,132,999

CONFIDENTIAL

LA 00001551

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017715

FOIA CONFIDENTIAL TREATMENT REQUESTED

Heading	Category	14-Jan 76	14-Feb 77	14-Mar 78	14-Apr 79	14-May 80	14-Jun 81	14-Jul 82	14-Aug 83	14-Sep 84	14-Oct 85	14-Nov 86
Revenue												
R Flow - Office Space	7	101,754	101,754	101,754	101,754	101,754	104,807	104,807	104,807	104,807	104,807	104,807
R Flow - Tuck-under Parking	7	4,611	4,611	4,611	4,611	4,611	4,749	4,749	4,749	4,749	4,749	4,749
R Flow - Retail Space	7	27,612	27,612	27,612	27,612	27,612	28,441	28,441	28,441	28,441	28,441	28,441
Cap - Office Space	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Tuck-under Parking	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Retail Space	4	0	0	0	0	0	0	0	0	0	0	0
Total for Revenue		133,978	133,978	133,978	133,978	133,978	137,997	137,997	137,997	137,997	137,997	137,997
Disposal Costs												
Purchaser's Costs	8	0	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	9	0	0	0	0	0	0	0	0	0	0	0
Total for Disposal Costs		0	0	0	0	0	0	0	0	0	0	0
Acquisition Costs												
8th Street Land Option (Year 10)	86	0	0	0	0	0	0	0	0	0	0	0
8th St 1st Year Ground Lease	86	0	0	0	0	0	0	0	0	0	0	0
8th St Ground Lease Renewal 1-4	86	0	0	0	0	0	0	0	0	0	0	0
8th St Ground Lease Renewal 5-9	86	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667
Arts Credits (assume no bonus)	86	0	0	0	0	0	0	0	0	0	0	0
8th St Combination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street Resubordination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street RE Tax pre-construction	86	0	0	0	0	0	0	0	0	0	0	0
Third Party Reports	20	0	0	0	0	0	0	0	0	0	0	0
Title Insurance	21	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83
Total for Acquisition Costs		-16,750	-16,750	-16,750	-16,750	-16,750	-16,750	-16,750	-16,750	-16,750	-16,750	-16,750
Construction Costs												
Metro Site Work	28	0	0	0	0	0	0	0	0	0	0	0
Con. - Office Space	24	0	0	0	0	0	0	0	0	0	0	0
Con. - Tuck-under Parking	24	0	0	0	0	0	0	0	0	0	0	0
Con. - Retail Space	24	0	0	0	0	0	0	0	0	0	0	0
Insurance	79	0	0	0	0	0	0	0	0	0	0	0
RE Tax during Construction	84	0	0	0	0	0	0	0	0	0	0	0
Contingency	25	0	0	0	0	0	0	0	0	0	0	0
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Total for Construction Costs		0	0	0	0	0	0	0	0	0	0	0
TI Costs												
TI Cost Area Rate - Office Space	96	0	0	0	0	0	0	0	0	0	0	0
TI Cost Area Rate - Retail Space	96	0	0	0	0	0	0	0	0	0	0	0
Total for TI Costs		0	0	0	0	0	0	0	0	0	0	0
Professional Fees												
Architect + Engineer	32	0	0	0	0	0	0	0	0	0	0	0
Legal	37	0	0	0	0	0	0	0	0	0	0	0
Soft Cost Contingency	38	0	0	0	0	0	0	0	0	0	0	0
Total for Professional Fees		0	0	0	0	0	0	0	0	0	0	0
Marketing/Leasing												
Marketing	40	0	0	0	0	0	0	0	0	0	0	0
Leasing Cost	41	0	0	0	0	0	0	0	0	0	0	0
Leasing Legal Fees	42	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Office Space	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Tuck-under Parking	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Retail Space	94	0	0	0	0	0	0	0	0	0	0	0
Rent Review Fee	77	0	0	0	0	0	0	0	0	0	0	0
Total for Marketing/Leasing		0	0	0	0	0	0	0	0	0	0	0
Development Management Fee												
Dev. Management Fee	85	0	0	0	0	0	0	0	0	0	0	0
Total for Development Management Fee		0	0	0	0	0	0	0	0	0	0	0
Finance Details												
Net period total		117,227	117,227	117,227	117,227	117,227	121,247	121,247	121,247	121,247	121,247	121,247
Period Total for Interest		-15,015,689	-14,978,329	-14,940,881	-14,903,344	-14,865,717	-14,823,981	-14,782,155	-14,740,238	-14,698,229	-14,656,129	-14,613,936
Total Interest + Fees (All Loans)		0	0	0	0	0	0	0	0	0	0	0
Period Total For IRR		37,359	37,448	37,537	37,627	37,717	41,826	41,917	42,009	42,100	42,193	42,285
Cumulative Total C/F		-15,095,640	-15,058,192	-15,020,655	-14,983,028	-14,945,312	-14,903,485	-14,861,568	-14,819,559	-14,777,459	-14,735,266	-14,692,981

CONFIDENTIAL

LA 00001552

WMATA-INV 017716

Heading	Category	14-Dec 87	15-Jan 88	15-Feb 89	15-Mar 90	15-Apr 91	15-May 92	15-Jun 93	15-Jul 94	15-Aug 95	15-Sep 96	15-Oct 97
Revenue												
R Flow - Office Space	7	104,807	104,807	104,807	104,807	104,807	104,807	107,951	107,951	107,951	107,951	107,951
R Flow - Tuck-under Parking	7	4,749	4,749	4,749	4,749	4,749	4,749	4,892	4,892	4,892	4,892	4,892
R Flow - Retail Space	7	28,441	28,441	28,441	28,441	28,441	28,441	29,294	29,294	29,294	29,294	29,294
Cap - Office Space	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Tuck-under Parking	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Retail Space	4	0	0	0	0	0	0	0	0	0	0	0
Total for Revenue		**137,997**	**137,997**	**137,997**	**137,997**	**137,997**	**137,997**	**142,137**	**142,137**	**142,137**	**142,137**	**142,137**
Disposal Costs												
Purchaser's Costs	8	0	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	9	0	0	0	0	0	0	0	0	0	0	0
Total for Disposal Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Acquisition Costs												
8th Street Land Option (Year 10)	86	0	0	0	0	0	0	0	0	0	0	0
8th St 1st Year Ground Lease	86	0	0	0	0	0	0	0	0	0	0	0
8th St Ground Lease Renewal 1-4	86	0	0	0	0	0	0	0	0	0	0	0
8th St Ground Lease Renewal 5-9	86	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667
Arts Credits (assume no bonus)	86	0	0	0	0	0	0	0	0	0	0	0
8th St Combination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street Resubordination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street RE Tax pre-construction	86	0	0	0	0	0	0	0	0	0	0	0
Third Party Reports	20	0	0	0	0	0	0	0	0	0	0	0
Title Insurance	21	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83
Total for Acquisition Costs		**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**
Construction Costs												
Metro Site Work	28	0	0	0	0	0	0	0	0	0	0	0
Con. - Office Space	24	0	0	0	0	0	0	0	0	0	0	0
Con. - Tuck-under Parking	24	0	0	0	0	0	0	0	0	0	0	0
Con. - Retail Space	24	0	0	0	0	0	0	0	0	0	0	0
Insurance	79	0	0	0	0	0	0	0	0	0	0	0
RE Tax during Construction	84	0	0	0	0	0	0	0	0	0	0	0
Contingency	25	0	0	0	0	0	0	0	0	0	0	0
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Total for Construction Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TI Costs												
TI Cost Area Rate - Office Space	96	0	0	0	0	0	0	0	0	0	0	0
TI Cost Area Rate - Retail Space	96	0	0	0	0	0	0	0	0	0	0	0
Total for TI Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Professional Fees												
Architect + Engineer	32	0	0	0	0	0	0	0	0	0	0	0
Legal	37	0	0	0	0	0	0	0	0	0	0	0
Soft Cost Contingency	38	0	0	0	0	0	0	0	0	0	0	0
Total for Professional Fees		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Marketing/Leasing												
Marketing	40	0	0	0	0	0	0	0	0	0	0	0
Leasing Cost	41	0	0	0	0	0	0	0	0	0	0	0
Leasing Legal Fees	42	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Office Space	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Tuck-under Parking	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Retail Space	94	0	0	0	0	0	0	0	0	0	0	0
Rent Review Fee	77	0	0	0	0	0	0	0	0	0	0	0
Total for Marketing/Leasing		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Development Management Fee												
Dev. Management Fee	85	0	0	0	0	0	0	0	0	0	0	0
Total for Development Management Fee		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Finance Details												
Net period total		121,247	121,247	121,247	121,247	121,247	121,247	125,387	125,387	125,387	125,387	125,387
Period Total for Interest		-14,571,651	-14,529,272	-14,486,800	-14,444,234	-14,401,573	-14,358,818	-14,311,826	-14,264,739	-14,217,555	-14,170,275	-14,122,896
Total Interest + Fees (All Loans)		0	0	0	0	0	0	0	0	0	0	0
Period Total For IRR		42,378	42,472	42,566	42,661	42,756	42,851	47,087	47,184	47,281	47,378	47,476
Cumulative Total C/F		-14,650,603	-14,608,130	-14,565,564	-14,522,903	-14,480,148	-14,437,296	-14,390,209	-14,343,025	-14,295,745	-14,248,366	-14,200,890

CONFIDENTIAL

LA 00001553

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017717

FOIA CONFIDENTIAL TREATMENT REQUESTED

Heading	Category	15-Nov 98	15-Dec 99	16-Jan 100	16-Feb 101	16-Mar 102	16-Apr 103	16-May 104	16-Jun 105	16-Jul 106	16-Aug 107	16-Sep 108
Revenue												
R Flow - Office Space	7	107,951	107,951	107,951	107,951	107,951	107,951	107,951	111,190	111,190	111,190	111,190
R Flow - Tuck-under Parking	7	4,892	4,892	4,892	4,892	4,892	4,892	4,892	5,039	5,039	5,039	5,039
R Flow - Retail Space	7	29,294	29,294	29,294	29,294	29,294	29,294	29,294	30,173	30,173	30,173	30,173
Cap - Office Space	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Tuck-under Parking	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Retail Space	4	0	0	0	0	0	0	0	0	0	0	0
Total for Revenue		**142,137**	**142,137**	**142,137**	**142,137**	**142,137**	**142,137**	**142,137**	**146,401**	**146,401**	**146,401**	**146,401**
Disposal Costs												
Purchaser's Costs	8	0	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	9	0	0	0	0	0	0	0	0	0	0	0
Total for Disposal Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Acquisition Costs												
8th Street Land Option (Year 10)	86	0	0	0	0	0	0	0	0	0	0	0
8th St 1st Year Ground Lease	86	0	0	0	0	0	0	0	0	0	0	0
8th St Ground Lease Renewal 1-4	86	0	0	0	0	0	0	0	0	0	0	0
8th St Ground Lease Renewal 5-9	86	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667
Arts Credits (assume no bonus)	86	0	0	0	0	0	0	0	0	0	0	0
8th St Combination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street Resubordination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street RE Tax pre-construction	86	0	0	0	0	0	0	0	0	0	0	0
Third Party Reports	20	0	0	0	0	0	0	0	0	0	0	0
Title Insurance	21	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83
Total for Acquisition Costs		**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**
Construction Costs												
Metro Site Work	28	0	0	0	0	0	0	0	0	0	0	0
Con. - Office Space	24	0	0	0	0	0	0	0	0	0	0	0
Con. - Tuck-under Parking	24	0	0	0	0	0	0	0	0	0	0	0
Con. - Retail Space	24	0	0	0	0	0	0	0	0	0	0	0
Insurance	79	0	0	0	0	0	0	0	0	0	0	0
RE Tax during Construction	84	0	0	0	0	0	0	0	0	0	0	0
Contingency	25	0	0	0	0	0	0	0	0	0	0	0
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Total for Construction Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TI Costs												
TI Cost Area Rate - Office Space	96	0	0	0	0	0	0	0	0	0	0	0
TI Cost Area Rate - Retail Space	96	0	0	0	0	0	0	0	0	0	0	0
Total for TI Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Professional Fees												
Architect + Engineer	32	0	0	0	0	0	0	0	0	0	0	0
Legal	37	0	0	0	0	0	0	0	0	0	0	0
Soft Cost Contingency	38	0	0	0	0	0	0	0	0	0	0	0
Total for Professional Fees		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Marketing/Leasing												
Marketing	40	0	0	0	0	0	0	0	0	0	0	0
Leasing Cost	41	0	0	0	0	0	0	0	0	0	0	0
Leasing Legal Fees	42	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Office Space	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Tuck-under Parking	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Retail Space	94	0	0	0	0	0	0	0	0	0	0	0
Rent Review Fee	77	0	0	0	0	0	0	0	0	0	0	0
Total for Marketing/Leasing		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Development Management Fee												
Dev. Management Fee	85	0	0	0	0	0	0	0	0	0	0	0
Total for Development Management Fee		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Finance Details												
Net period total		125,387	125,387	125,387	125,387	125,387	125,387	125,387	129,651	129,651	129,651	129,651
Period Total for Interest		-14,075,420	-14,027,846	-13,980,172	-13,932,400	-13,884,527	-13,836,554	-13,788,480	-13,736,040	-13,683,499	-13,630,855	-13,578,108
Total Interest + Fees (All Loans)		0	0	0	0	0	0	0	0	0	0	0
Period Total For IRR		47,575	47,673	47,773	47,873	47,973	48,074	48,175	52,541	52,644	52,747	52,850
Cumulative Total C/F		-14,153,316	-14,105,642	-14,057,870	-14,009,997	-13,962,024	-13,913,950	-13,865,774	-13,813,233	-13,760,589	-13,707,842	-13,654,992

CONFIDENTIAL

LA 00001554

WMATA-INV 017718

Heading	Category	16-Oct 109	16-Nov 110	16-Dec 111	17-Jan 112	17-Feb 113	17-Mar 114	17-Apr 115	17-May 116	17-Jun 117	17-Jul 118	17-Aug 119
Revenue												
R Flow - Office Space	7	111,190	111,190	111,190	111,190	111,190	111,190	111,190	111,190	114,525	114,525	114,525
R Flow - Tuck-under Parking	7	5,039	5,039	5,039	5,039	5,039	5,039	5,039	5,039	5,190	5,190	5,190
R Flow - Retail Space	7	30,173	30,173	30,173	30,173	30,173	30,173	30,173	30,173	31,078	31,078	31,078
Cap - Office Space	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Tuck-under Parking	4	0	0	0	0	0	0	0	0	0	0	0
Cap - Retail Space	4	0	0	0	0	0	0	0	0	0	0	0
Total for Revenue		**146,401**	**146,401**	**146,401**	**146,401**	**146,401**	**146,401**	**146,401**	**146,401**	**150,793**	**150,793**	**150,793**
Disposal Costs												
Purchaser's Costs	8	0	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	9	0	0	0	0	0	0	0	0	0	0	0
Total for Disposal Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Acquisition Costs												
8th Street Land Option (Year 10)	86	0	0	0	0	0	0	0	0	0	0	0
8th St 1st Year Ground Lease	86	0	0	0	0	0	0	0	0	0	0	0
8th St Ground Lease Renewal 1-4	86	0	0	0	0	0	0	0	0	0	0	0
8th St Ground Lease Renewal 5-9	86	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667	-16,667
Arts Credits (assume no bonus)	86	0	0	0	0	0	0	0	0	0	0	0
8th St Combination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street Resubordination Fee	86	0	0	0	0	0	0	0	0	0	0	0
8th Street RE Tax pre-construction	86	0	0	0	0	0	0	0	0	0	0	0
Third Party Reports	20	0	0	0	0	0	0	0	0	0	0	0
Title Insurance	21	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83	-83
Total for Acquisition Costs		**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**	**-16,750**
Construction Costs												
Metro Site Work	28	0	0	0	0	0	0	0	0	0	0	0
Con. - Office Space	24	0	0	0	0	0	0	0	0	0	0	0
Con. - Tuck-under Parking	24	0	0	0	0	0	0	0	0	0	0	0
Con. - Retail Space	24	0	0	0	0	0	0	0	0	0	0	0
Insurance	79	0	0	0	0	0	0	0	0	0	0	0
RE Tax during Construction	84	0	0	0	0	0	0	0	0	0	0	0
Contingency	25	0	0	0	0	0	0	0	0	0	0	0
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Permits	29	0	0	0	0	0	0	0	0	0	0	0
Total for Construction Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TI Costs												
TI Cost Area Rate - Office Space	96	0	0	0	0	0	0	0	0	0	0	0
TI Cost Area Rate - Retail Space	96	0	0	0	0	0	0	0	0	0	0	0
Total for TI Costs		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Professional Fees												
Architect + Engineer	32	0	0	0	0	0	0	0	0	0	0	0
Legal	37	0	0	0	0	0	0	0	0	0	0	0
Soft Cost Contingency	38	0	0	0	0	0	0	0	0	0	0	0
Total for Professional Fees		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Marketing/Leasing												
Marketing	40	0	0	0	0	0	0	0	0	0	0	0
Leasing Cost	41	0	0	0	0	0	0	0	0	0	0	0
Leasing Legal Fees	42	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Office Space	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Tuck-under Parking	94	0	0	0	0	0	0	0	0	0	0	0
Lease Comm - Retail Space	94	0	0	0	0	0	0	0	0	0	0	0
Rent Review Fee	77	0	0	0	0	0	0	0	0	0	0	0
Total for Marketing/Leasing		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Development Management Fee												
Dev. Management Fee	85	0	0	0	0	0	0	0	0	0	0	0
Total for Development Management Fee		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Finance Details												
Net period total		129,651	129,651	129,651	129,651	129,651	129,651	129,651	129,651	134,043	134,043	134,043
Period Total for Interest		-13,525,258	-13,472,303	-13,419,245	-13,366,081	-13,312,811	-13,259,436	-13,205,954	-13,152,365	-13,094,276	-13,036,079	-12,977,773
Total Interest + Fees (All Loans)		0	0	0	0	0	0	0	0	0	0	0
Period Total For IRR		52,954	53,059	53,164	53,269	53,375	53,482	53,589	53,697	58,197	58,306	58,415
Cumulative Total C/F		-13,602,037	-13,548,979	-13,495,815	-13,442,545	-13,389,170	-13,335,688	-13,282,099	-13,228,402	-13,170,205	-13,111,899	-13,053,484

CONFIDENTIAL

LA 00001555

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017719

FOIA CONFIDENTIAL TREATMENT REQUESTED

Heading	Category	17-Sep 120
Revenue		
R Flow - Office Space	7	0
R Flow - Tuck-under Parking	7	0
R Flow - Retail Space	7	0
Cap - Office Space	4	21,143,164
Cap - Tuck-under Parking	4	958,133
Cap - Retail Space	4	5,737,434
Total for Revenue		**27,838,730**
Disposal Costs		
Purchaser's Costs	8	0
Sales Agent Fee	9	-835,162
Total for Disposal Costs		**-835,162**
Acquisition Costs		
8th Street Land Option (Year 10)	86	-3,420,000
8th St 1st Year Ground Lease	86	0
8th St Ground Lease Renewal 1-4	86	0
8th St Ground Lease Renewal 5-9	86	-16,667
Arts Credits (assume no bonus)	86	0
8th St Combination Fee	86	0
8th Street Resubordination Fee	86	0
8th Street RE Tax pre-construction	86	0
Third Party Reports	20	0
Title Insurance	21	-17,183
Total for Acquisition Costs		**-3,453,850**
Construction Costs		
Metro Site Work	28	0
Con. - Office Space	24	0
Con. - Tuck-under Parking	24	0
Con. - Retail Space	24	0
Insurance	79	0
RE Tax during Construction	84	0
Contingency	25	0
Permits	29	0
Permits	29	0
Total for Construction Costs		**0**
TI Costs		
TI Cost Area Rate - Office Space	96	0
TI Cost Area Rate - Retail Space	96	0
Total for TI Costs		**0**
Professional Fees		
Architect + Engineer	32	0
Legal	37	0
Soft Cost Contingency	38	0
Total for Professional Fees		**0**
Marketing/Leasing		
Marketing	40	0
Leasing Cost	41	0
Leasing Legal Fees	42	0
Lease Comm - Office Space	94	0
Lease Comm - Tuck-under Parking	94	0
Lease Comm - Retail Space	94	0
Rent Review Fee	77	0
Total for Marketing/Leasing		**0**
Development Management Fee		
Dev. Management Fee	85	0
Total for Development Management Fee		**0**
Finance Details		
Net period total		23,549,718
Period Total for Interest		11,348,579
Total Interest + Fees (All Loans)		0
Period Total For IRR		23,474,200
Cumulative Total C/F		10,420,716

CONFIDENTIAL

LA 00001556

WMATA-INV 017720

*** Slip Sheet ***

Document

PROJECT PRO FORMA	LAKRITZ ADLER DEVELOPMENT

1920 8th Street Office Project
1920 8th Ground Lease and 10-year hold Office/Retail

Project Proforma for Part 1 1920 8th St Office/Retail

REVENUE				
Rental Area Summary	**ft²**	**Rate ft²**	**Rent at Lease Start**	**Rent At Sale**
‡ Office Space	36,700	$42.00	1,717,850	2,051,202
‡ Tuck-under Parking	11,750	$3.98	52,157	62,279
‡ Retail Space	8,007	$35.00	312,326	372,933
Totals	56,457		2,082,333	2,486,414
Investment Valuation				
Office Space				
- 33.000% non recov. cost				
Capitalized Rent	1,374,306	Cap Rate	6.5000%	21,143,164
Tuck-under Parking				
Capitalized Rent	62,279	Cap Rate	6.5000%	958,133
Retail Space				
Capitalized Rent	372,933	Cap Rate	6.5000%	5,737,434
				27,838,730
Income from Tenants				
Office Space			7,212,974	
Tuck-under Parking			352,945	
Retail Space			2,113,484	
				9,679,402
TOTAL PROJECT REVENUE				**37,518,132**
DEVELOPMENT COSTS				
ACQUISITION COSTS				
8th Street Land Option (Year 10)		3,420,000		
8th St 1st Year Ground Lease		325,000		
8th St Ground Lease Renewal 1-4		600,000		
8th St Ground Lease Renewal 5-9		1,000,020		
Arts Credits (assume no bonus)		250,000		
8th St Combination Fee		30,000		
8th Street Resubordination Fee		175,000		
8th Street RE Tax pre-construction		203,500		
Total Acquisition (0.25 Acres $24,014,080.00 pAcre)				6,003,520
Third Party Reports			50,000	
Title Insurance		0.50%	27,975	
				6,081,495
CONSTRUCTION COSTS				
Construction	**ft²**	**Rate ft²**	**Cost**	
‡ Office Space	39,593	$135.00	5,837,924	
‡ Tuck-under Parking	11,750	$25.00	320,843	
‡ Retail Space	8,007	$135.00	1,180,619	
Totals	59,350		7,339,386	**7,339,386**

CONFIDENTIAL LA 00001557

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017722

PROJECT PRO FORMA		LAKRITZ ADLER DEVELOPMENT	
1920 8th Street Office Project			
1920 8th Ground Lease and 10-year hold Office/Retail			
Contingency	10.00%	733,939	
Metro Site Work		250,000	
Permits		50,000	
Permits	1.50%	110,091	
			1,144,029
Other Construction			
Insurance	0.50%	36,697	
			36,697
Municipal Costs			
RE Tax during Construction		60,000	
			60,000
TI Costs			
TI Cost Area Rate - Office Space	60.00 pf²	2,454,071	
TI Cost Area Rate - Retail Space	60.00 pf²	535,415	
			2,989,487
PROFESSIONAL FEES			
Architect + Engineer		450,000	
Legal	1.50%	110,091	
Soft Cost Contingency	10.00%	80,688	
			640,779
MARKETING & LEASING			
Marketing		50,000	
Leasing Legal Fees	2.00%	29,266	
Leasing Commissions			
Office Space		630,949	
Tuck-under Parking		29,896	
Retail Space		179,023	
			919,134
DISPOSAL FEES			
Sales Agent Fee	3.00%	835,162	
			835,162
Additional Costs			
Dev. Management Fee	3.00%	236,984	
			236,984
FINANCE			
Interest paid to Debt Sources:			
Construction Loan (6.00%)	1,310,037		
Total Interest paid to debt financing		1,310,037	
Mortgage Interest (6.00%)		4,951,966	
Total Interest Paid		6,262,003	
Debt Financing Fees			
Construction Loan - Legal Fees (Single)	100,000		
Construction Loan - Bank Fee (1.00%) (Single)	150,754		
Construction Loan - Recordation, Title (2.00%) (Single)		301,507	
Total Debt Financing Fees	= →	552,261	
Total Finance Cost			6,814,264

File: C:\Documents and Settings\HP_Owner\My Documents\REAL ESTATE\WMATA Florida Ave Lots\1920 8th Street\08 08 05 1920 8th Pro Forma 10 YEAR by right office.wcf

CONFIDENTIAL LA 00001558

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017723

PROJECT PRO FORMA	LAKRITZ ADLER DEVELOPMENT

1920 8th Street Office Project
1920 8th Ground Lease and 10-year hold Office/Retail

TOTAL COSTS			**27,097,417**
PROFIT			
Developer Equity			
Residual Percentage (100.00%)	10,420,716		
		10,420,716	
			10,420,716
Performance Measures			
Profit on Cost%	38.46%		
Profit on GDV%	37.43%		
Development Yield% (on Rent)	6.68%		
Pre-Finance IRR%	13.59%		
Project IRR% (with Interest)	16.71%		
Equity IRR% (with Interest)	38.01%		

‡ Inflation/Escalation applied

Escalation on Capitalized Rent		**Unescalated**	**Escalation**	**Total**
Office Space	Office Rent at 3.00%	15,888,277	5,254,887	21,143,164
Tuck-under Parking	Office Rent at 3.00%	720,000	238,133	958,133
Retail Space	Office Rent at 3.00%	4,311,462	1,425,972	5,737,434

Inflation on Construction Costs		**Uninflated**	**Inflation**	**Total**
Office Space	Construction CPI at 3.00%	5,345,055	492,869	5,837,924
Tuck-under Parking	Construction CPI at 3.00%	293,756	27,087	320,843
Retail Space	Construction CPI at 3.00%	1,080,945	99,674	1,180,619

File: C:\Documents and Settings\HP_Owner\My Documents\REAL ESTATE\WMATA Florida Ave Lots\1920 8th Street\08 08 05 1920 8th Pro Forma 10 YEAR by right office.wcf
ARGUS Developer Version: 4.00.003 - 3 - Date: 8/5/2008

*** Slip Sheet ***

Document

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:	
06/30/08	
	1920 8th St
Purchase Date	09/30/2007
Purchase Price	100,000.00
Other Acquisition Costs	113,527.97
Acquisition Financing Costs	
Acquisition Financing Received	
Date Investor Financing Received	09/30/2007
Investor Financing Received	
Net Cash Invested at Acquisition	213,527.97
Purchase Date	
Purchase Price	
Other Acquisition Costs	
Acquisition Financing Costs	
Acquisition Financing Received	
Net Cash Invested at Acquisition	-
Date Refinanced	
Refinancing Net Proceeds	
Date Refinanced	
Refinancing Net Proceeds	
Improvements Net of Const Borrowing	
2002	-
2003	
2004	
2005	
2006	
2007	
2008 (thru 6/30))	
Net Income After Debt Svc	
2002	-
2003	
2004	
2005	
2006	
2007	(80,225.80)
2008 (thru 6/30)	(51,204.14)
Cash Payments to Investors	
2002	
2003	
2004	
2005	
2006	
2007	
2008 (thru 6/30)	
Date Investors Cashed Out	

Redacted

Returns Calculated through:				
06/30/08				

		1920 8th St
Development Assets Currently Held		
LaKritz Adler Investment		
Refinancing Proceeds Since Acquisition		-
Intial Investment		213,527.97
Additional Investment Since Acquisition		131,429.94
Payments to Outside Investors Since Acquisition		-
Estimated Costs to Complete Project		-
Additional Required Payments to Outside Investors		
Existing Debt Available to Complete Project		
Addl Investment/Debt Required to Complete Project		
Estimated Market Value		1,000,000.00
Estimated Selling Costs		35,000.00
Outstanding Debt at Project Completion		-
Estimated Additional Cash Upon Sale		965,000.00
Total Net Cash Returned Including Sale		620,042.09
Investment Term (months)		9
Annualized Return on Investment Including Sale		387%
Net Cash Return Multiple Including Sale		2.9

Redacted

Returns Calculated through:	
06/30/08	

Redacted

Returns Calculated through:	
06/30/08	

Redacted

*** Slip Sheet ***

Document

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:				
06/30/08				

Redacted

Returns Calculated through:	
06/30/08	
	1920 8th St
Purchase Date	09/30/2007
Purchase Price	100,000.00
Other Acquisition Costs	113,527.97
Acquisition Financing Costs	
Acquisition Financing Received	
Date Investor Financing Received	09/30/2007
Investor Financing Received	
Net Cash Invested at Acquisition	213,527.97
Purchase Date	
Purchase Price	
Other Acquisition Costs	
Acquisition Financing Costs	
Acquisition Financing Received	
Net Cash Invested at Acquisition	-
Date Refinanced	
Refinancing Net Proceeds	
Date Refinanced	
Refinancing Net Proceeds	
Improvements Net of Const Borrowing	
2002	-
2003	
2004	
2005	
2006	
2007	
2008 (thru 6/30))	
Net Income After Debt Svc	
2002	-
2003	
2004	
2005	
2006	
2007	(80,225.80)
2008 (thru 6/30)	(51,204.14)
Cash Payments to Investors	
2002	
2003	
2004	
2005	
2006	
2007	
2008 (thru 6/30)	
Date Investors Cashed Out	

Redacted

Returns Calculated through:				
06/30/08				
	Redacted			1920 8th St
Development Assets Currently Held				
LaKritz Adler Investment				
Refinancing Proceeds Since Acquisition				-
Intial Investment				213,527.97
Additional Investment Since Acquisition				131,429.94
Payments to Outside Investors Since Acquisition				-
Estimated Costs to Complete Project				-
Additional Required Payments to Outside Investors				
Existing Debt Available to Complete Project				
Addl Investment/Debt Required to Complete Project				
Estimated Market Value				1,000,000.00
Estimated Selling Costs				35,000.00
Outstanding Debt at Project Completion				-
Estimated Additional Cash Upon Sale				965,000.00
Total Net Cash Returned Including Sale				620,042.09
Investment Term (months)				9
Annualized Return on Investment Including Sale				387%
Net Cash Return Multiple Including Sale				2.9

Returns Calculated through:	
06/30/08	

Redacted

Returns Calculated through:	
06/30/08	

Redacted

*** Slip Sheet ***

Document

LAKRITZ | ADLER
real estate development

LaKritz Adler Development, LLC and Affiliates

Opportunistic Real Estate Investment and Development
Washington, D.C.
www.lakritzadler.com

Business Description
April 2008
CONFIDENTIAL

Table of Contents

I. Executive Summary and Key Considerations
II. Corporate Structure
III. Principal Biographies
IV. Investment Strategy
V. Current Developments
VI. Track Record
VII. Maps

Redacted

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

CONFIDENTIAL

LA 00001591

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017759

Redacted

CONFIDENTIAL

LA 00001592

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017760

Redacted

CONFIDENTIAL

LA 00001593

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017761

IV. Investment Strategy

Redacted

The opportunity types that the Company targets include:

1) Mixed-use commercial development and redevelopment sites on the edge of central business districts, especially those with strong retail potential. These opportunities are exemplified by recent acquisitions and pipeline projects such as Redacted Redacted, 1920 8th Street, and Redacted The Company believes that ongoing steep increases in CBD commercial rents, combined with the residential gentrification and improving aesthetics, safety and demographics of many urban neighborhoods over the past ten years, is both forcing and attracting many downtown commercial tenants, both office and retail, into economically transitional areas such as U Street, Georgia Avenue and H Street Northeast in Washington, D.C., and downtown Silver Spring, Maryland. After enormous residential growth in these areas over the past ten years, the commercial opportunities have become relatively underdeveloped and attractive, and the Company believes the commercial growth will follow the well-established residential growth – particularly on urban sites previously considered only for residential development.

The Company identifies and secures these sites, and when needed, obtains regulatory approvals for development. In many cases, after analyzing the probable risk-adjusted returns and equity requirements for the proposed project, the Company may find a joint venture partner to build the project, or a buyer for the entitled site.

Redacted

CONFIDENTIAL LA 00001594

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017762

Redacted

B. Public Bids. In the right circumstances, public bids can sometimes be value acquisitions. The Company's reputation for quality neighborhood redevelopment and excellent relationships with Washington, D.C., city officials and community leaders, as well as its certification as a "Local, Small and Disadvantaged Business Enterprise" (LSDBE) in Washington, D.C., puts it in a favorable position with respect to public and quasi-public dispositions of property for redevelopment. While the Company's primary business is not in the pursuit of public awards, it may seek such awards from time to time when there is a high probability of winning property rights at a discount to market value, such as its pursuit of the WMATA parcels adjacent to 1920 8th Street in the U Street neighborhood, Redacted

Redacted

Redacted

CONFIDENTIAL

LA 00001595

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017763

Redacted

E. Complex Joint Ventures. LAD often finds opportunities with sellers who have needs that cannot be met through a fee-simple sale transaction, where other buyers lack the legal or financial sophistication and creativity – or the time or persistence – to meet the seller's needs in a way that creates value for the purchaser. For example, at 1920 8th Street, LAD structured a complex fee-subordinated ground lease with purchase option that provided the seller with the nominal above-market purchase price he sought while obtaining the property for LAD at a net present value far below the actual market value of the property, and creating several million dollars in uncompensated equity for LAD to leverage in the development. Redacted

Redacted

V. Current Developments

LAD's current projects in development, described below, exemplify the Company's investment strategy.

Redacted

CONFIDENTIAL

LA 00001596

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017764

Redacted

1920 8th Street, NW, Washington, D.C. (Ground Leased, In Development)

LAD has ratified a complex joint venture agreement – a ten-year fee-subordinated ground lease with purchase option – on an 11,320 square foot commercially-zoned vacant lot in the booming U Street neighborhood of Washington, D.C., six blocks north of the new Washington Convention Center, two blocks east of the U Street Metro entrance, and one

CONFIDENTIAL

LA 00001597

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017765

block southwest of Howard University. The ground lease commenced in September 2007. The ground lease structure requires the landlord to pledge its entire unencumbered fee interest in the site toward LAD's development financing, thereby creating an estimated $5 million in land equity in the planned project. During the ten-year ground lease, the purchase option exercise price remains essentially flat, at about $5 million, but virtually all of the ground lease payments during the lease (averaging about 3.5% of the option price annually) are credited to the option price, so the actual purchase price will be about $3.6 million at the end of the tenth year, which will have been, in effect, financed 100% by the seller at an interest-only rate of about 5.2%, subordinated to all other financing without any limits on leverage or guarantees of payment.

LAD intends to build a 47,600 square-foot office and retail building on the site. Total project cost is estimated at about $15 million, with about $5 million in developer's profit at completion.

Alternatively, 1920 8th Street is part of a land assemblage now in negotiation between LAD and WMATA. WMATA owns three developable vacant parcels (totaling approximately 28,000 square-feet of land along Florida Avenue) adjacent to 1920 8th Street, for which it has sought offers of sale or lease through a public solicitation process. 1920 8th Street is the only significant developable parcel adjacent to the three vacant lots owned by WMATA – as LAD was aware when it negotiated its ground lease immediately prior to the WMATA solicitation – and LAD is now one of three finalists (from over twenty initial submissions) selected by WMATA for these parcels.

If LAD is awarded the WMATA parcels, it has proposed to build a 90,000 square-foot office building, a 72,000 square-foot hotel, and a 4,000 square-foot freestanding retail building.

Redacted

CONFIDENTIAL

LA 00001598

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017766

Redacted

CONFIDENTIAL

LA 00001599

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017767

VI. Track Record

The following is a list of every completed acquisition and outcome since the founding of the Company, in chronological order of purchase.

Redacted

CONFIDENTIAL

LA 00001600

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017768

Redacted

CONFIDENTIAL

LA 00001601

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017769

Redacted

CONFIDENTIAL

LA 00001602

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017770

Redacted

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

CONFIDENTIAL

LA 00001605

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017773

Redacted

24. 1920 Eighth Street, NW, Washington, D.C.
Described in Section V above
Ground Lease: September 2007

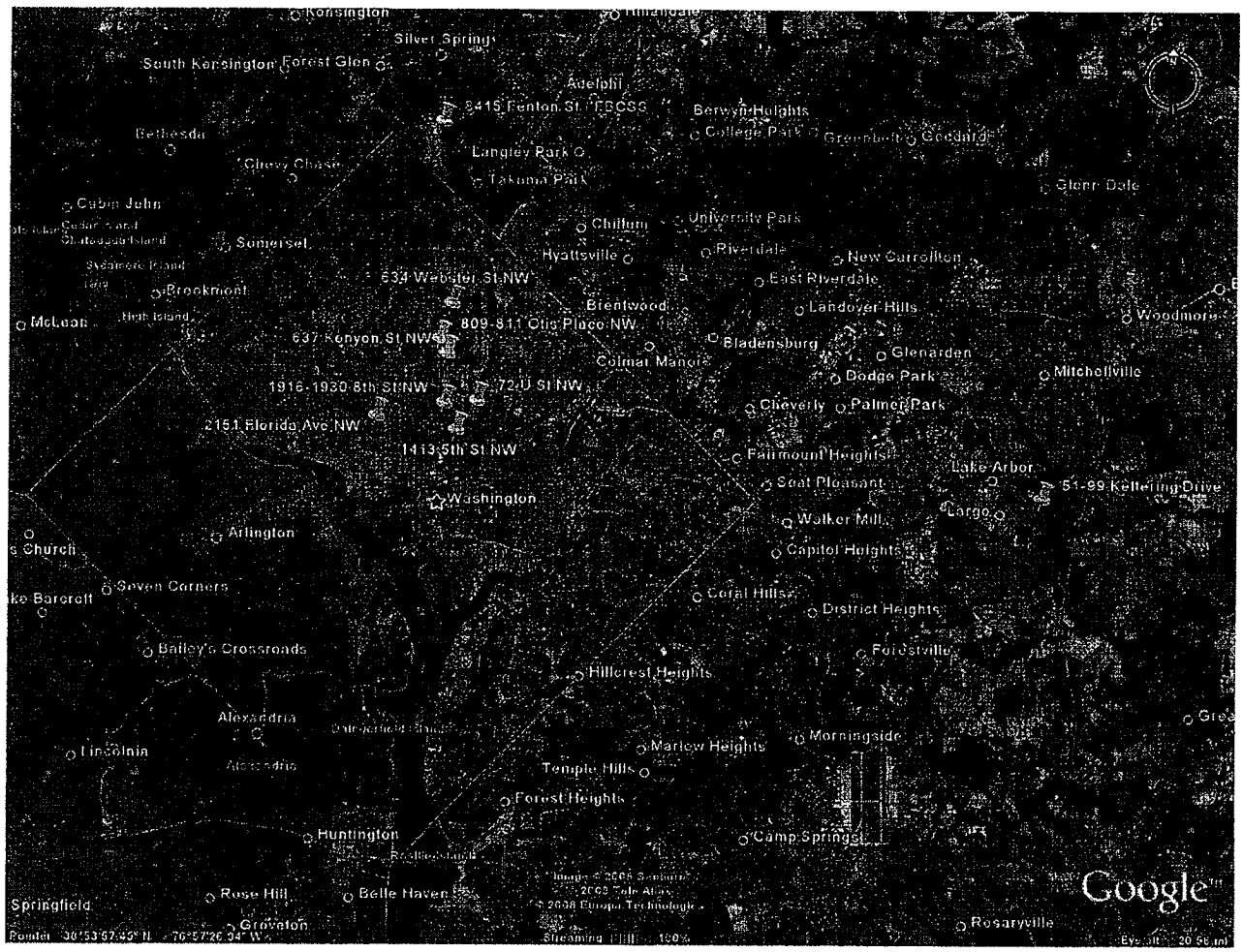
CONFIDENTIAL

LA 00001606

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017774

VII. Maps



All LaKritz Adler Transactions Since 2002

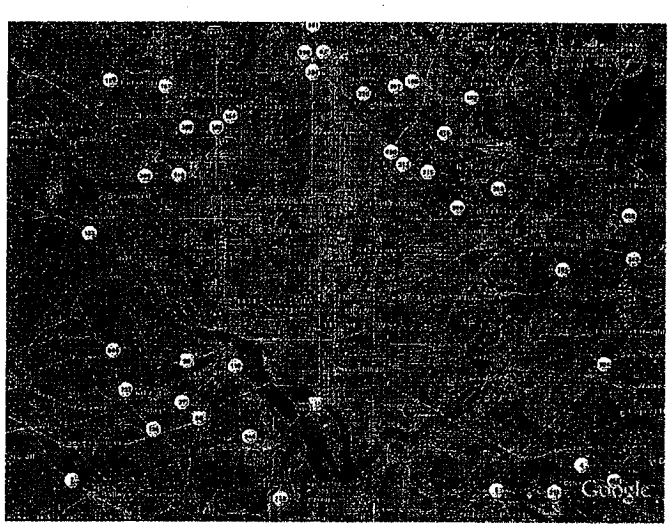
CONFIDENTIAL

LA 00001607

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017775

LaKritz Adler Transactions in Washington D.C.



CONFIDENTIAL

LA 00001608

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017776

*** Slip Sheet ***

Document

FOIA CONFIDENTIAL TREATMENT REQUESTED

Address	Bought	Purchase Price	Improvements	Sale Price	Current Value
Redacted					
1920 8th	September-07	$ 400,000.00			
Redacted					

WMATA-INV 017778

*** Slip Sheet ***

Document

Redacted

Summary Financing & Return Projections for All Development Properties
As-If Completed and Sold According to Pro Forma Schedule

Projected as of September 2008	1920 8th St
Purchase Date	9/30/2007
Project Completion	9/30/2017
Purchase Price	100,000
Acquisition Financing Received	✓
LAD Net Cash Invested at Acquisition	213,528
Refinancing Proceeds Since Acquisition	0
Initial Investment	213,528
Additional Investment Since Acquisition	G 131,430
Est. Costs to Complete Project	19,938,195
Existing Debt Available to Complete Project	
Additional Investment Required to Complete	669,200
Estimated Market Value at Project Completion	27,838,730
Estimated Selling Costs	835,162
Outstanding Debt at Project Completion	15,179,096
Estimated Additional Cash Upon Sale	8,370,622
Gross Cash Returned Including Sale	11,434,873
Investment Term (months)	120
Annualized Return Including Sale	112.8%
Equity Multiple Including Sale	11.3
IRR of Net Investment Cash Flow (monthly)	2.72%
Annual IRR	32.6%

As Abandoned? What about other Abandoned Projects? → Include?

Redacted

Redacted

G = Line 111, Analysis Tab, "Prop Analysis..." Workbook

Redacted

CONFIDENTIAL LA 00001610

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017780

*** Slip Sheet ***

Document

LaKritz | Adler

Property Financial Summary/Analysis

	Develop-t Property			
Returns Calculated through:				
06/30/08				
				1920 8th St
Purchase Date				09/30/2007
Purchase Price				100,000.00
Other Acquisition Costs				113,527.97
Acquisition Financing Costs				
Acquisition Financing Received				
Date Investor Financing Received				09/30/2007
Investor Financing Received				
Net Cash Invested at Acquisition				213,527.97
Purchase Date				
Purchase Price				
Other Acquisition Costs				
Acquisition Financing Costs				
Acquisition Financing Received				
Net Cash Invested at Acquisition				-
Date Refinanced				
Refinancing Net Proceeds				
Date Refinanced				
Refinancing Net Proceeds				
Improvements Net of Dev/Const Borrowing				
2002				-
2003				
2004				
2005				
2006				
2007				
2008 (thru 6/30))				
Net Income After Debt Svc				
2002				-
2003				
2004				
2005				
2006				
2007				(80,225.80)
2008 (thru 6/30)				(51,204.14)
Cash Payments to Investors				
2002				
2003				
2004				
2005				
2006				
2007				
2008 (thru 6/30)				
Date Investors Cashed Out				

Redacted

CONFIDENTIAL

LA 00001611

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017782

Returns Calculated through:	
06/30/08	
	1920 8th St
Development Assets Currently Held	
Refinancing Proceeds Since Acquisition	-
Intial Investment	213,527.97
Additional Investment Since Acquisition	131,429.94
Payments to Outside Investors Since Acquisition	-
Estimated Costs to Complete Project	-
Additional Required Payments to Outside Investors	
Existing Debt Available to Complete Project	
Addl Investment/Debt Required to Complete Project	
Estimated Market Value	1,000,000.00
Estimated Selling Costs	35,000.00
Outstanding Debt at Project Completion	-
Estimated Additional Cash Upon Sale	965,000.00
Gross Cash Returned Including Sale	833,570.06
Investment Term (months)	9
Annualized Return on Investment Including Sale	387%
Net Cash Return Multiple Including Sale	3.9
Calculation of Net Cash Returned	
Initial Investment	213,527.97
Additional Investment Including Operating Losses	131,429.94
Total Invested	344,957.91
Refinancing Proceeds Received	-
Expected Cash Upon Liquidation	965,000.00
Total Expected Cash Returned	965,000.00
Net Cash Returned in Excess of Investment	620,042.09

Redacted

*** Slip Sheet ***

Document

EQUITY FUND - IRR UPDATE
L/A INVS 6-30-09

CONFIDENTIAL

LA 00001613

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017785

*** Slip Sheet ***

Document

FOIA CONFIDENTIAL TREATMENT REQUESTED

Summary Financing & Returns Table for All Sold Properties

Redacted

CONFIDENTIAL

WMATA-INV 017787

Summary Financing & Returns Table for All Operating Properties
As of 6/30/08
Sold
As-Operated and As-If-Sold

Redacted

CONFIDENTIAL LA 00001615

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017788

By Friday

Summary Financing & Return Projections for All Development Properties
As-If Completed and Sold According to Pro Forma Schedule

Update

Update

Projected as of September 2008	~~1920 8th St~~
Purchase Date	9/30/2007
Project Completion	9/30/2017
Purchase Price	100,000
Acquisition Financing Received	
LAD Net Cash Invested at Acquisition	213,528
Refinancing Proceeds Since Acquisition	
Initial Investment	213,528
Additional Investment Since Acquisition	131,430
Est. Costs to Complete Project	19,938,195
Existing Debt Available to Complete Project	
Additional Investment Required to Complete	669,200
Estimated Market Value at Project Completion	27,838,730
Estimated Selling Costs	835,162
Outstanding Debt at Project Completion	15,179,096
Estimated Additional Cash Upon Sale	8,370,622
Gross Cash Returned Including Sale	11,434,873
Investment Term (months)	120
Annualized Return Including Sale	112.8%
Equity Multiple Including Sale	11.3
IRR of Net Investment Cash Flow (monthly)	2.72%
Annual IRR	32.6%

Redacted

CONFIDENTIAL LA 00001616

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017789

*** Slip Sheet ***

Document

	LaKritz Adler Real Estate			
			Bal 9-30-09	
	Bank Accounts			
Bank	Account Name	Reconciled 9/09		Bal 10/16/09

Redacted

BB&T	1920 8th Street LLC	✓	346.67	346.67

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017791

	LaKritz Adler Real Estate		
	Bank Accounts		
Bank	Account Name	Reconciled 9/09	Bal 10/16/09

Balance 9.30.09

Redacted

*** Slip Sheet ***

Document

FOIA CONFIDENTIAL TREATMENT REQUESTED

LaKritz Adler

Company	A/P Bal 08/31/09	A/P Bal 05/31/09
Redacted		
1920 8th Street LLC	$12,000.00	$1,800.70
Redacted		

WMATA-INV 017794

*** Slip Sheet ***

Document

FOIA CONFIDENTIAL TREATMENT REQUESTED

LaKritz Adler

April

Company	Cash Bal 08/31/09	Cash Bal 05/31/09	Change May to Aug
Redacted			
1920 8th Street LLC	$346.67	$1,326.27	-$979.60
Redacted			

WMATA-INV 017796

*** Slip Sheet ***

Document

FINANCIALS - 09/30/08

CONFIDENTIAL

LA 00001621

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017798

*** Slip Sheet ***

Document

3:20 PM
10/21/08
Accrual Basis

1920 8th Street LLC
Balance Sheet
As of September 30, 2008

		Sep 30, 08
ASSETS		
Current Assets		
Checking/Savings		
BB&T-Checking Acct#5162-740-638		10,782.17
Total Checking/Savings		10,782.17
Total Current Assets		10,782.17
Other Assets		
Development at 8th & U Sts NW		
Arts Credits Related Legal	5,372.50	
Ground Lease Related Legal		
Accum Amort-Ground Lease Legal	-12,298.87	
Ground Lease Related Legal - Other	113,527.97	
Total Ground Lease Related Legal	101,229.10	
Total Development at 8th & U Sts NW		106,601.60
Purchase Option Deposit		100,000.00
Total Other Assets		206,601.60
TOTAL ASSETS		**217,383.77**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		1,482.00
Total Accounts Payable		1,482.00
Total Current Liabilities		1,482.00
Long Term Liabilities		
Tenant Security Deps		3,000.00
Total Long Term Liabilities		3,000.00
Total Liabilities		4,482.00
Equity		
Partners capital		
Capital - Joshua A. Adler	201,000.00	
Capital - Robb M. LaKrtiz	201,000.00	
Total Partners capital		402,000.00
Retained Earnings		-88,623.31
Net Income		-100,474.92
Total Equity		212,901.77
TOTAL LIABILITIES & EQUITY		**217,383.77**

CONFIDENTIAL

LA 00001622

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017800

3:19 PM
10/21/08
Accrual Basis

1920 8th Street LLC
Profit & Loss
January through September 2008

	Jan - Sep 08
Ordinary Income/Expense	
Income	
Rent Income	27,000.00
Total Income	27,000.00
Gross Profit	27,000.00
Expense	
Ground Lease Legal Amort	8,514.60
Lease Subordination Fees	56,250.00
Licenses and Permits	850.00
Professional Fees	
Accounting	1,350.00
Legal Fees	1,949.22
Total Professional Fees	3,299.22
Property Taxes	58,146.80
Property/Liability Insurance	14.30
Taxes	400.00
Total Expense	127,474.92
Net Ordinary Income	-100,474.92
Net Income	**-100,474.92**

CONFIDENTIAL

LA 00001623

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017801

4:45 PM
11/24/08

1920 8th Street LLC
Statement of Cash Flows
January through September 2008

	Jan - Sep 08
OPERATING ACTIVITIES	
Net Income	-100,474.92
Adjustments to reconcile Net Income to net cash provided by operations:	
Development at 8th & U Sts NW:Ground Lease Related Legal:Accum Amort-Ground Lease Legal	8,514.60
Accounts Payable	-131.24
Net cash provided by Operating Activities	-92,091.56
INVESTING ACTIVITIES	
Development at 8th & U Sts NW:Arts Credits Related Legal	-5,372.50
Net cash provided by Investing Activities	-5,372.50
FINANCING ACTIVITIES	
Partners capital:Capital - Joshua A. Adler	51,000.00
Partners capital:Capital - Robb M. LaKrtiz	51,000.00
Net cash provided by Financing Activities	102,000.00
Net cash increase for period	4,535.94
Cash at beginning of period	6,246.23
Cash at end of period	10,782.17

CONFIDENTIAL

LA 00001624

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017802

*** Slip Sheet ***

Document

Redacted

	Depre/ Amort	Acc'd Int	Trial Bal	Lock Period	FINAL Hand	Final PDF	Adjs	
1920 8th Street LLC	✓	✗	✓	✓	✓	✓		
1920 8th Street Venture LLC	✗	✗	✗					

Redacted

*** Slip Sheet ***

Document

FINANCIALS - 06/30/08

*** Slip Sheet ***

Document

2:24 PM
07/17/08
Accrual Basis

1920 8th Street LLC
Profit & Loss
January through June 2008

		Jan - Jun 08
Ordinary Income/Expense		
Income		
Rent Income		18,000.00
Total Income		18,000.00
Gross Profit		18,000.00
Expense		
Ground Lease Legal Amort		5,676.40
Lease Subordination Fees		37,500.00
Licenses and Permits		850.00
Professional Fees		
Accounting	1,000.00	
Legal Fees	1,174.98	
Total Professional Fees		2,174.98
Property Taxes		29,073.40
Taxes		400.00
Total Expense		75,674.78
Net Ordinary Income		-57,674.78
Net Income		-57,674.78

CONFIDENTIAL

LA 00001627

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017808

2:24 PM
07/17/08
Accrual Basis

1920 8th Street LLC
Balance Sheet
As of June 30, 2008

		Jun 30, 08
ASSETS		
Current Assets		
Checking/Savings		
BB&T-Checking Acct#5162-740-638		12,042.09
Total Checking/Savings		12,042.09
Total Current Assets		12,042.09
Other Assets		
Development at 8th & U Sts NW		
Arts Credits Related Legal	5,372.50	
Ground Lease Related Legal		
Accum Amort-Ground Lease Legal	-9,460.67	
Ground Lease Related Legal - Other	113,527.97	
Total Ground Lease Related Legal	104,067.30	
Total Development at 8th & U Sts NW		109,439.80
Purchase Option Deposit		100,000.00
Total Other Assets		209,439.80
TOTAL ASSETS		**221,481.89**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		7,779.98
Total Accounts Payable		7,779.98
Total Current Liabilities		7,779.98
Long Term Liabilities		
Tenant Security Deps		3,000.00
Total Long Term Liabilities		3,000.00
Total Liabilities		10,779.98
Equity		
Partners capital		
Capital - Joshua A. Adler	178,500.00	
Capital - Robb M. LaKrtiz	178,500.00	
Total Partners capital		357,000.00
Retained Earnings		-88,623.31
Net Income		-57,674.78
Total Equity		210,701.91
TOTAL LIABILITIES & EQUITY		**221,481.89**

CONFIDENTIAL

LA 00001628

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017809

*** Slip Sheet ***

Document

	A/P	Bank	Rec's	Rents	Degree Amort	Accid Int.	Trial Bal	Lock Period	FINAL Hand	Final PDF	

Redacted

1920 8th Street LLC	✓	BBT ✓	✓	✓	N/A	✓	✓	✓	✓	
1920 8th Street Venture LLC	X	X	X	X	X	X	X	X	X	X

Redacted

*** Slip Sheet ***

Document

4:11 PM
07/16/08
Accrual Basis

1920 8th Street LLC
Profit & Loss
January through June 2008

	Jan - Jun 08
Ordinary Income/Expense	
Income	
Rent Income	18,000.00
Total Income	18,000.00
Gross Profit	18,000.00
Expense	
Ground Lease Legal Amort	5,676.40
Lease Subordination Fees	37,500.00
Licenses and Permits	850.00
Professional Fees	
Legal Fees	3,672.00
Total Professional Fees	3,672.00
Property Taxes	29,073.40
Taxes	400.00
Total Expense	77,171.80
Net Ordinary Income	-59,171.80
Net Income	**-59,171.80**

CONFIDENTIAL

LA 00001630

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017813

4:11 PM
07/16/08
Accrual Basis

1920 8th Street LLC
Balance Sheet
As of June 30, 2008

		Jun 30, 08
ASSETS		
Current Assets		
Checking/Savings		
BB&T-Checking Acct#5162-740-638		12,042.09
Total Checking/Savings		12,042.09
Total Current Assets		12,042.09
Other Assets		
Development at 8th & U Sts NW		
Ground Lease Related Legal		
Accum Amort-Ground Lease Legal	-9,460.67	
Ground Lease Related Legal - Other	113,527.97	
Total Ground Lease Related Legal		104,067.30
Total Development at 8th & U Sts NW		104,067.30
Purchase Option Deposit		100,000.00
Total Other Assets		204,067.30
TOTAL ASSETS		**216,109.39**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		3,904.50
Total Accounts Payable		3,904.50
Total Current Liabilities		3,904.50
Long Term Liabilities		
Tenant Security Deps		3,000.00
Total Long Term Liabilities		3,000.00
Total Liabilities		6,904.50
Equity		
Partners capital		
Capital - Joshua A. Adler	178,500.00	
Capital - Robb M. LaKrtiz	178,500.00	
Total Partners capital		357,000.00
Retained Earnings		-88,623.31
Net Income		-59,171.80
Total Equity		209,204.89
TOTAL LIABILITIES & EQUITY		**216,109.39**

CONFIDENTIAL

LA 00001631

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017814

*** Slip Sheet ***

Document

From: Ronald Ridker <rridker@comcast.net>
Sent: Friday, February 8, 2008 3:15 PM
To: Josh Adler <josh@lakritzadler.com>
Subject: [Norton AntiSpam] Latest version of spreadsheet
Attach: Cash flow compar 2008-1-24a.xls

*** Slip Sheet ***

Document

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C
1	**Meridian Public Charter School**		
2			Aug/July
3			
4	**16th Street Property (Worst Case)**		
5			
6	**Assumptions**		
7	Renovation Budget and Purchase		$ 16,400,000
8	Financing Rate		5.0%
9	Financing Term		30
10	Operating Expenses/Taxes		incl
11	DownPayment		$ 3,280,000
12			
13			**mid 2010**
14	**Annual Debt Payment**		$ 853,475
15	**Operating Expenses**		$ 87,902
16	**DownPayment**		$ 3,280,000
17	**Total Projected Occupancy Cost (Debt + OpEx)**		**$ 4,221,377**
18	**Net Surplus Available to Pay Occupancy Cost**		
19	**504 Students Enrolled**		**$ 655,298**
20	**450 Students Enrolled**		**$ 621,298**
21	**400 Students Enrolled**		**$ 701,947**
22	**350 Students Enrolled**		**$ 731,582**

WMATA-INV 017818

FOIA CONFIDENTIAL TREATMENT REQUESTED

	D	E	F	G	H	I
1	STAUBACH					
2	of Real Estate Knowledge					
3						
4			Bright Orange Indicates			
5			School Cannot Afford			
6						
7						
8	All in Financing Rate					
9	Amortization Term					
10	Annual per SFEstimate					
11	20%					
12						
13	2	3	4	5	6	7
14	$ 853,475	$ 853,475	$ 853,475	$ 853,475	$ 853,475	$ 853,475
15	$ 90,978	$ 94,163	$ 97,458	$ 100,869	$ 104,400	$ 108,054
16						
17	**$ 944,453**	**$ 947,637**	**$ 950,933**	**$ 954,344**	**$ 957,875**	**$ 961,529**
18						
19	**$ 655,298**	**$ 655,298**	**$ 655,298**	**$ 655,298**	**$ 655,298**	**$ 655,298**
20	**$ 621,298**	**$ 621,298**	**$ 621,298**	**$ 621,298**	**$ 621,298**	**$ 621,298**
21	**$ 701,947**	**$ 701,947**	**$ 701,947**	**$ 701,947**	**$ 701,947**	**$ 701,947**
22	**$ 731,582**	**$ 731,582**	**$ 731,582**	**$ 731,582**	**$ 731,582**	**$ 731,582**

WMATA-INV 017819

FOIA CONFIDENTIAL TREATMENT REQUESTED

	J	K	L	M	N	O	P	Q	R
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
14	$ 853,475	$ 853,475	$ 853,475	$ 853,475	$ 853,475	$ 853,475	$ 853,475	$ 853,475	$ 853,475
15	$ 111,836	$ 115,750	$ 119,801	$ 123,994	$ 128,334	$ 132,826	$ 137,475	$ 142,286	$ 147,266
16									
17	**$ 965,310**	**$ 969,225**	**$ 973,276**	$ 977,469	$ 981,809	$ 986,300	$ 990,949	$ 995,761	$ 1,000,741
18									
19	**$ 655,298**	**$ 655,298**	**$ 655,298**						
20	**$ 621,298**	**$ 621,298**	**$ 621,298**						
21	**$ 701,947**	**$ 701,947**	**$ 701,947**						
22	**$ 731,582**	**$ 731,582**	**$ 731,582**						

WMATA-INV 017820

FOIA CONFIDENTIAL TREATMENT REQUESTED

	S	T	U	V	W	X
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	**17**	**18**	**19**	**20**		
14	$ 853,475	$ 853,475	$ 853,475	$ 853,475		
15	$ 152,420	$ 157,755	$ 163,277	$ 168,991		
16						
17	$ 1,005,895	$ 1,011,230	$ 1,016,751	$ 1,022,466	**$ 12,845,958.86**	**Total**
18						
19						
20						
21						
22						

WMATA-INV 017821

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C
23			
24	**16th Street Property (Best Case)**		
25	**10 Year View**		
26	**Assumptions**		
27	Renovation Budget and Purchase		$ 13,400,000
28	Financing Rate		5.0%
29	Financing Term		30
30	Operating Expenses/Taxes		Incl
31	DownPayment		$ 2,680,000
32			
33			**mid 2010**
34	**Annual Debt Payment**		$ 697,351
35	**Operating Expenses**		$ 87,902
36	**DownPayment**		$ 2,680,000
37	**Total Projected Occupancy Cost (Debt + OpEx)**		**$ 3,465,253**
38			
39	**Estimated Current Lease Payment**		**$ -**
40			**#DIV/0!**
41			
42			
43	**1920 8th Street**		
44	**Purchase Price**		**$ 5,000,000**
45	**Renovation Budget**		**$ -**
46	**Financing Rate**		**6%**
47	**Ground Lease**		**$ 5.00**
48	**Financing Term**		**30**
49	**Operating Expenses/Taxes**		**$ 10.00**
50	**DownPayment**		**$ 1,000,000**
51			**1**
52	**Annual Debt Payment**		$ 290,596
53	**Annual Operating Expenses**		$ -
54	**Ground Lease**		$ -
55	**DownPayment**		$ 1,000,000
56	**Total Annual Payment**		$ 1,290,596

WMATA-INV 017822

FOIA CONFIDENTIAL TREATMENT REQUESTED

	D	E	F	G	H	I
23						
24						
25						
26						
27						
28	All in Financing Rate					
29	Amortization Term					
30	Annual per SFEstimate					
31	20%					
32						
33	**2**	**3**	**4**	**5**	**6**	**7**
34	$ 697,351	$ 697,351	$ 697,351	$ 697,351	$ 697,351	$ 697,351
35	$ 90,978	$ 94,163	$ 97,458	$ 100,869	$ 104,400	$ 108,054
36						
37	**$ 788,330**	**$ 791,514**	**$ 794,810**	**$ 798,221**	**$ 801,751**	**$ 805,405**
38						
39	Rent plus Operating Expenses at Florida Avenue					
40						
41						
42						
43						
44	**#DIV/0!**	per SF				
45	**#DIV/0!**	per SF				
46		Annual Interest Rate				
47		per SF				
48		Years				
49		per SF				
50	**20%**					
51	**2**	**3**	**4**	**5**	**6**	**7**
52	$ 290,596	$ 290,596	$ 290,596	$ 290,596	$ 290,596	$ 290,596
53	$ -	$ -	$ -	$ -	$ -	$ -
54	$ -	$ -	$ -	$ -	$ -	$ -
55						
56	$ 290,596	$ 290,596	$ 290,596	$ 290,596	$ 290,596	$ 290,596

WMATA-INV 017823

FOIA CONFIDENTIAL TREATMENT REQUESTED

	J	K	L	M	N	O	P	Q	R
23									
24									
25									
26									
27									
28									
29									
30									
31									
32									
33	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
34	$ 697,351	$ 697,351	$ 697,351	$ 697,351	$ 697,351	$ 697,351	$ 697,351	$ 697,351	$ 697,351
35	$ 111,836	$ 115,750	$ 119,801	$ 123,994	$ 128,334	$ 132,826	$ 137,475	$ 142,286	$ 147,266
36									
37	**$ 809,187**	**$ 813,101**	**$ 817,153**	$ 821,346	$ 825,685	$ 830,177	$ 834,826	$ 839,638	$ 844,618
38									
39									
40									
41									
42									
43									
44									
45									
46									
47									
48									
49									
50									
51	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
52	$ 290,596	$ 290,596	$ 290,596	$ 290,596	$ 290,596	$ 290,596	$ 290,596	$ 290,596	$ 290,596
53	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
54	$ -	$ -	$ -						
55									
56	$ 290,596	$ 290,596	$ 290,596	$ 290,596	$ 290,596	$ 290,596	$ 290,596	$ 290,596	$ 290,596

WMATA-INV 017824

FOIA CONFIDENTIAL TREATMENT REQUESTED

	S	T	U	V	W	X
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33	**17**	**18**	**19**	**20**		
34	$ 697,351	$ 697,351	$ 697,351	$ 697,351		
35	$ 152,420	$ 157,755	$ 163,277	$ 168,991		
36						
37	$ 849,772	$ 855,107	$ 860,628	$ 866,343	**$ 10,684,724.42**	**Total**
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49						
50						
51	**17**	**18**	**19**	**20**		
52	$ 290,596	$ 290,596	$ 290,596	$ 290,596		
53	$ -	$ -	$ -	$ -		
54						
55						
56	$ 290,596	$ 290,596	$ 290,596	$ 290,596		

WMATA-INV 017825

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C
57	**Cost Per SF**		#DIV/0!
58			
59	**Estimated Current Lease Payment**		$ -
60			**#DIV/0!**
61			
62	**Extrapolation from Meridian Financial Forecast**		
63	**Cash Available**		$ 3,126,271
64	**Net Surplus Available to Pay Occupancy Cost**		
65	**504 Students Enrolled**		$ 655,298
66	**450 Students Enrolled**		$ 621,298
67	**400 Students Enrolled**		$ 701,947
68	**350 Students Enrolled**		$ 731,582

WMATA-INV 017826

FOIA CONFIDENTIAL TREATMENT REQUESTED

	D	E	F	G	H	I
57	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
58						
59	Rent plus Operating Expenses at Florida Avenue					
60						
61						
62						
63	$ 2,837,111	$ 2,253,089	$ 1,999,071	$ 2,745,864	$ 3,513,720	$ 4,292,013
64						
65	$ 655,298	$ 655,298	$ 655,298	$ 655,298	$ 655,298	$ 655,298
66	$ 621,298	$ 621,298	$ 621,298	$ 621,298	$ 621,298	$ 621,298
67	$ 701,947	$ 701,947	$ 701,947	$ 701,947	$ 701,947	$ 701,947
68	$ 731,582	$ 731,582	$ 731,582	$ 731,582	$ 731,582	$ 731,582

WMATA-INV 017827

FOIA CONFIDENTIAL TREATMENT REQUESTED

	J	K	L	M	N	O	P	Q	R
57	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
58									
59									
60									
61									
62									
63	$ 5,079,402	$ 5,874,421	$ 6,675,470	$ 2,021,507	$ 2,080,601	$ 2,197,997	$ 2,368,917	$ 2,556,291	$ 2,665,933
64									
65	$ 655,298	$ 655,298	$ 655,298						
66	$ 621,298	$ 621,298	$ 621,298						
67	$ 701,947	$ 701,947	$ 701,947						
68	$ 731,582	$ 731,582	$ 731,582						

WMATA-INV 017828

FOIA CONFIDENTIAL TREATMENT REQUESTED

	S	T	U	V	W	X
57	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		
58						
59						
60						
61						
62						
63						
64						
65						
66						
67						
68						

WMATA-INV 017829

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C
69	**8th Street Preliminary Projection**		
70	**Assumptions**	Year 0	Year 1
71	*Construction of Building on Property*		*$ 11,400,000*
72	*Financing Rate*		*5.0%*
73	*Financing Term*		*30*
74	*Operating Expenses/Taxes*		*Incl*
75	*Exercise Option/Exercise Price*		
76	**Debt Service On New Building Construction**		$ 770,209
77	**Ground Lease Pmt**		$ 225,000
78	**Purchase Price**		$ -
79	**Operating Expenses**		$ 87,902
80	**DownPayment**	$ 2,960,000	
81	**Total Projected Occupancy Cost (Rent + OpEx)**	**$ 2,960,000**	**$ 1,083,111**
82	**Net Surplus Available to Pay Occupancy Cost**		
83	**504 Students Enrolled**		**$ 1,099,298**
84	**450 Students Enrolled**		**$ 1,010,298**
85	**400 Students Enrolled**		**$ 1,049,947**
86	**350 Students Enrolled**		**$ 1,025,582**
87			
88			
89			

WMATA-INV 017830

FOIA CONFIDENTIAL TREATMENT REQUESTED

	D	E	F	G	H	I
69						
70	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
71	*$ 2,960,000*					
72		*Annual Interest Rate*				
73		*Years*				
74		*per SF*				
75	*$ 3,200,000*	*$ 3,400,000*				
76	$ 770,209	$ 770,209	$ 770,209	$ 770,209	$ 770,209	$ 770,209
77	$ 150,000	$ 150,000	$ 150,000	$ 200,000	$ 200,000	$ 200,000
78	$ -	$ -	$ -	$ -	$ -	$ -
79	$ 90,978	$ 94,163	$ 97,458	$ 100,869	$ 104,400	$ 108,054
80						
81	**$ 1,011,187**	**$ 1,014,372**	**$ 1,017,667**	**$ 1,071,078**	**$ 1,074,609**	**$ 1,078,263**
82						
83	**$ 1,099,298**	**$ 1,099,298**	**$ 1,099,298**	**$ 1,099,298**	**$ 1,099,298**	**$ 1,099,298**
84	**$ 1,010,298**	**$ 1,010,298**	**$ 1,010,298**	**$ 1,010,298**	**$ 1,010,298**	**$ 1,010,298**
85	**$ 1,049,947**	**$ 1,049,947**	**$ 1,049,947**	**$ 1,049,947**	**$ 1,049,947**	**$ 1,049,947**
86	**$ 1,025,582**	**$ 1,025,582**	**$ 1,025,582**	**$ 1,025,582**	**$ 1,025,582**	**$ 1,025,582**
87						
88						
89						

WMATA-INV 017831

FOIA CONFIDENTIAL TREATMENT REQUESTED

	J	K	L	M	N	O	P	Q	R
69									
70	Year 8	Year 9	Year 10						
71									
72									
73									
74									
75									
76	$ 770,209	$ 770,209	$ 823,681						
77	$ 200,000	$ 200,000							
78	$ -	$ -							
79	$ 111,836	$ 115,750	$ 119,801	$ 123,994	$ 128,334	$ 132,826	$ 137,475	$ 142,286	$ 147,266
80									
81	**$ 1,082,045**	**$ 1,085,959**	**$ 943,482**						
82									
83	**$ 1,099,298**	**$ 1,099,298**	**$ 1,099,298**						
84	**$ 1,010,298**	**$ 1,010,298**	**$ 1,010,298**						
85	**$ 1,049,947**	**$ 1,049,947**	**$ 1,049,947**						
86	**$ 1,025,582**	**$ 1,025,582**	**$ 1,025,582**						
87									
88									
89									

WMATA-INV 017832

FOIA CONFIDENTIAL TREATMENT REQUESTED

	S	T	U	V	W	X
69						
70					NPV	
71						
72						
73						
74						
75						
76						
77						
78						
79	$ 152,420	$ 157,755	$ 163,277	$ 168,991		
80						
81					**$9,636,582.57**	
82						
83						
84						
85						
86						
87						
88						
89						

WMATA-INV 017833

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C
90			
91			
92			
93			
94			
95			
96			
97			

WMATA-INV 017834

FOIA CONFIDENTIAL TREATMENT REQUESTED

	D	E	F	G	H	I
90						
91						
92						
93						
94						
95						
96						
97						

WMATA-INV 017835

FOIA CONFIDENTIAL TREATMENT REQUESTED

	J	K	L	M	N	O	P	Q	R
90									
91									
92									
93									
94									
95									
96									
97									

WMATA-INV 017836

	S	T	U	V	W	X
90						
91						
92						
93						
94						
95						
96						
97						

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017837

*** Slip Sheet ***

Document

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Wednesday, April 23, 2008 2:19 PM
To: 'Ronald Bryant' <rbryant@buildersbank.com>; 'Dan Ruvalcaba' <druvalcaba@buildersbank.com>
Cc: 'Barry Schulz' <bschulz@buildersbank.com>
Subject: RE: Amendment to Intercreditor Agreement

While I'm thinking of it, we're now at the stage where 1920 8th Street (the "ground lease + purchase option" deal we all worked on last fall) is ready for a small development loan ($1 million or less).

Ron, I recall that you had sent us a preliminary term sheet for these purposes. I'd like to just resume our talks with BB, given everyone's familiarity with the structure.

The budget would include funds for tenant marketing (recall, it's a commercial building), historic design approval, monthly payment of the ground lease payments, etc. You'll recall that we attached the DOT that Barry, Curtis and I negotiated with the Landlord to the Lease itself, so that BB would have a first lien on the fee as security.

How shall we proceed?

Best,

Robb LaKritz

Redacted

Redacted

*** Slip Sheet ***

Document

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Wednesday, April 23, 2008 2:24 PM
To: 'Barry Schulz' <bschulz@buildersbank.com>
Subject: RE: Amendment to Intercreditor Agreement

☺

From: Barry Schulz [mailto:bschulz@buildersbank.com]
Sent: Wednesday, April 23, 2008 2:21 PM
To: robb@lakritzadler.com
Subject: RE: Amendment to Intercreditor Agreement

I'll bow out at this point and let you, Ron and Dan work your magic together.

Barrett J. Schulz
312 750 9302

-----Original Message-----
From: Robb LaKritz [mailto:robb@lakritzadler.com]
Sent: Wednesday, April 23, 2008 1:19 PM
To: Ronald Bryant; Dan Ruvalcaba
Cc: Barry Schulz
Subject: RE: Amendment to Intercreditor Agreement

While I'm thinking of it, we're now at the stage where 1920 8th Street (the "ground lease + purchase option" deal we all worked on last fall) is ready for a small development loan ($1 million or less).

Ron, I recall that you had sent us a preliminary term sheet for these purposes. I'd like to just resume our talks with BB, given everyone's familiarity with the structure.

The budget would include funds for tenant marketing (recall, it's a commercial building), historic design approval, monthly payment of the ground lease payments, etc. You'll recall that we attached the DOT that Barry, Curtis and I negotiated with the Landlord to the Lease itself, so that BB would have a first lien on the fee as security.

How shall we proceed?

Best,

Robb LaKritz

Redacted

Redacted

*** Slip Sheet ***

Document

From: Josh Adler <josh@lakritzadler.com>
Sent: Tuesday, June 3, 2008 6:07 PM
To: 'nicholaschaconas@aol.com'
Subject: RE: The site representative (real estate agent) for Davita was looking in N.W.last week

---

I wonder in particular if, besides the 99 Kettering option (which is the best) if there is some way to fit them into the 1920 8th deal. The site is one block from the Howard University Medical Center and five minutes drive from Washington Hospital Center so maybe there is a medical office / dialysis clinic development play for that site, with Davita taking the retail level – and maybe they need additional office space in DC, or have some preferred co-tenants?

Redacted

From: nicholaschaconas@aol.com [mailto:nicholaschaconas@aol.com]
Sent: Tuesday, June 03, 2008 5:46 PM
To: josh@lakritzadler.com
Subject: Re: The site representative (real estate agent) for Davita was looking in N.W.last week

We are meeting tomorrow in the morning. @ deals were falling apart and one I got some inside info to maybe save the smaller one (all quite coincidental). I think they both had a key role in their buying decision.

Redacted

-----Original Message-----
From: Josh Adler <josh@lakritzadler.com>
To: nicholaschaconas@aol.com
Sent: Tue, 3 Jun 2008 5:25 pm
Subject: RE: The site representative (real estate agent) for Davita was looking in N.W.last week

What happened at your meeting last Friday re Florida?

Give me a call to discuss that and Davita. 202-882-0808.

Redacted

Redacted

*** Slip Sheet ***

Document

From: Josh Adler <josh@lakritzadler.com>
Sent: Wednesday, June 4, 2008 3:45 PM
To: josh@lakritzadler.com
Subject: FW: The site representative (real estate agent) for Davita was looking in N.W. last week

---

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Tuesday, June 03, 2008 10:09 AM
To: 'nicholaschaconas@aol.com'
Subject: RE: The site representative (real estate agent) for Davita was looking in N.W. last week

Redacted

Also, we have the 1920 8th (8th & Florida Metro) site, which is the right size – five floors with about 9500 SF floor plate – but while I would love to get them to take the ground floor there, we still need tenants or buyers for the other four floors if we are going to build-to-suit that building.

Redacted

From: nicholaschaconas@aol.com [mailto:nicholaschaconas@aol.com]
Sent: Tuesday, June 03, 2008 9:11 AM
To: josh@lakritzadler.com
Subject: The site representative (real estate agent) for Davita was looking in N.W. last week

for a site to accommodate 8,000 to 9,000 square feet and wanted details on the PG site (Georgia?) He is from out of state and was recently here.

Could I get a 1 person listing on the PG site or can we just agree to 1% my way (the site rep may want added 2%)?

Nick

Stay informed, get connected and more

*** Slip Sheet ***

Document

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Tuesday, June 17, 2008 1:13 PM
To: Robb LaKritz <robb@lakritzadler.com>
Subject: <no subject>
Attach: Daily Tasks.docx

*** Slip Sheet ***

Document

Redacted

Redacted

1920 8th St.

- Arts Credit Contract
- Amend Operating Agreement
- Financing
- Omar Meeting

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017852

*** Slip Sheet ***

Document

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Wednesday, July 16, 2008 5:04 PM
To: 'Josh Adler' <josh@lakritzadler.com>
Subject: FW: Property Financial Analysis
Attach: property analysis Jul-2008.xls

We'll discuss tomorrow with Brad.

From: Brad Voight - LA [mailto:brad@lakritzadler.com]
Sent: Wednesday, July 16, 2008 5:01 PM
To: robb@lakritzadler.com
Subject: Property Financial Analysis

The spreadsheet is attached. There are two tabs I created, IRR Calc and Analysis.

Bradley M. Voight, CPA
Vice President - Finance & Accounting

LAKRITZ|ADLER

LaKritz Adler Development LLC
4326 8th Street, NW
Washington, DC 20011
E-Mail: Brad@LaKritzAdler.com
Phone: 202-882-0808
Fax: 202-882-0809
Cell: 301-742-5789

*** Slip Sheet ***

Document

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

Schedule 7 - PARTIALLY OWNED REAL ESTATE

DESCRIPTION OF PROPERTY	TITLE IN THE NAME OF
1920 8th St NW (Land for Development)	1920 8th Street LLC
Leasehold plus Purchase Option	

Redacted

WMATA-INV 017856

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

YR ACQUIRED	VALUE	BALANCE	% of	Ownership
$272,237 2007	$2,000,000	$0	50.00%	$1,000,000

Redacted

Redacted

WMATA-INV 017857

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F	G	H	I	J	K
1										Net Inc (Loss)	Net Inc (Loss)
2	Status	Address	Bought	Purchase Price	Other Acq Costs	Improvements	Sale Price	Selling Exps	Current Value	2002	2003
3											
4–12	Redacted										
13		1920 8th	September-07	$ 400,000.00							
14–31	Redacted										

WMATA-INV 017858

FOIA CONFIDENTIAL TREATMENT REQUESTED

	L	M	N	O	P
1	Net Inc (Loss)	Net Inc (Loss)	Net Inc (Loss)	Net Inc (Loss)	Net Inc (Loss)
2	2004	2005	2006	2007	2008
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					

WMATA-INV 017859

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

WMATA-INV 017861

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

WMATA-INV 017862

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F
1						
2	Returns Calculated through:					
3	6/30/2008					
4						
5						
6						
7						
8	Purchase Date					
9	Purchase Price					
10	Other Acquisition Costs					
11	Acquisition Financing Costs					
12	Acquisition Financing Received					
13	Sale Proceeds Received Day of Acquisition					
14	Date Investor Financing Received					
15	Investor Financing Received					
16	Net Cash Invested at Acquisition					
17						
18	Purchase Date					
19	Purchase Price					
20	Other Acquisition Costs					
21	Acquisition Financing Costs					
22	Acquisition Financing Received					
23	Net Cash Invested at Acquisition					
24						
25	Date Refinanced					
26	Refinancing Net Proceeds					
27	Date Refinanced					
28	Refinancing Net Proceeds					
29						
30	Improvements Net of Const Borrowing					
31	2002					
32	2003					
33	2004					
34	2005					
35	2006					
36	2007					
37	2008 (thru 6/30))					
38						
39	Net Income After Debt Svc					
40	2002					
41	2003					
42	2004					
43	2005					
44	2006					
45	2007					
46	2008 (thru 6/30)					
47						
48	Cash Payments to Investors					
49	2002					
50	2003					
51	2004					
52	2005					
53	2006					
54	2007					
55	2008 (thru 6/30)					
56						

Redacted

CONFIDENTIAL

LA 00001671

WMATA-INV 017864

FOIA CONFIDENTIAL TREATMENT REQUESTED

	G	H	I	J	K	L
1						
2						
3						
4						

Redacted

WMATA-INV 017865

FOIA CONFIDENTIAL TREATMENT REQUESTED

	M	N	O	P	Q	R	S
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							
51							
52							
53							
54							
55							
56							

Redacted

CONFIDENTIAL

WMATA-INV 017866

	T	U	V	W	X	Y	Z	AA
1								
2								
3								
4								
5								1920 8th St
6								
7								
8								Sunday, September 30, 2007
9								100,000.00
10								113,527.97
11								
12								
13								
14								
15								Sunday, September 30, 2007
16								
17								213,527.97
18								
19								
20								
21								
22								
23								
24								-
25								
26								
27								
28								
29								
30								
31								
32								-
33								
34								
35								
36								
37								
38								
39								
40								
41								-
42								
43								
44								
45								
46								(80,225.80)
47								(51,204.14)
48								
49								
50								
51								
52								
53								
54								
55								
56								

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017867

FOIA CONFIDENTIAL TREATMENT REQUESTED

	AB	AC	AD	AE
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				
51				
52				
53				
54				
55				
56				

Redacted

WMATA-INV 017868

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

WMATA-INV 017869

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

WMATA-INV 017870

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

WMATA-INV 017871

FOIA CONFIDENTIAL TREATMENT REQUESTED

	T	U	V	W	X	Y	Z	AA
57								
58								
59								
60								
61								
62								
63								
64								
65								
66								
67								
68								
69								
70								
71								
72								
73								
74								
75								
76								
77								
78								
79								
80								
81								
82								
83								
84								
85								
86								
87								
88								
89								
90								
91								
92								
93								
94								
95								
96								
97								
98								
99								
100								
101								
102								
103								
104								
105								
106								
107								
108								
109								
110								
111								-
112								213,527.97

Redacted

CONFIDENTIAL

WMATA-INV 017872

FOIA CONFIDENTIAL TREATMENT REQUESTED

	AB	AC	AD	AE
57				
58				
59				
60				
61				
62				
63				
64				
65				
66				
67				
68				
69				
70				
71				
72				
73				
74				
75				
76				
77				
78				
79				
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95				
96				
97				
98				
99				
100				
101				
102				
103				
104				
105				
106				
107				
108				
109				
110				
111				
112	Redacted			

WMATA-INV 017873

FOIA CONFIDENTIAL TREATMENT REQUESTED

	A	B	C	D	E	F
113	Additional Investment Since Acquisition					
114	Payments to Outside Investors Since Acquisition					
115						
116	Estimated Costs to Complete Project					
117	Additional Required Payments to Outside Investors					
118	Existing Debt Available to Complete Project					
119	Addl Investment/Debt Required to Complete Project					
120						
121	Estimated Market Value					
122	Estimated Selling Costs					
123	Outstanding Debt at Project Completion					
124	Estimated Additional Cash Upon Sale					
125						
126	Total Net Cash Returned Including Sale					
127	Investment Term (months)					
128	Annualized Return on Investment Including Sale					
129	Net Cash Return Multiple Including Sale					

WMATA-INV 017874

FOIA CONFIDENTIAL TREATMENT REQUESTED

	G	H	I	J	K	L
113						
114						
115						
116						
117						
118						
119						
120						
121						
122						
123						
124						
125						
126						
127						
128						
129						

WMATA-INV 017875

FOIA CONFIDENTIAL TREATMENT REQUESTED

	M	N	O	P	Q	R	S
113							
114							
115							
116							
117							
118							
119							
120							
121							
122							
123							
124							
125							
126							
127							
128							
129							

WMATA-INV 017876

FOIA CONFIDENTIAL TREATMENT REQUESTED

	T	U	V	W	X	Y	Z	AA
113					Redacted			131,429.94
114								-
115								
116								-
117								
118								
119								
120								
121								1,000,000.00
122								35,000.00
123								-
124								965,000.00
125								
126								620,042.09
127								9
128								387%
129								2.9

WMATA-INV 017877

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

WMATA-INV 017878

*** Slip Sheet ***

Document

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Monday, September 29, 2008 9:47 AM
To: 'Jim Weinstein' <jimbowein@mac.com>
Subject: FW: PPM updated
Attach: LaKritz Adler Opp Fund draft 9-22-08.doc

I will pay the August bill today. Attached is a copy of the prospectus I mentioned. RL

From: Josh Adler [mailto:josh@lakritzadler.com]
Sent: Friday, September 19, 2008 6:42 PM
To: 'Robb Lakritz'
Subject: PPM updated

This word file of the PPM draft now has the most current financial results tables, and is ready for further editing and legal review.

LAKRITZ | ADLER

4326 8th St., N.W.
Washington, D.C. 20011
T 202.882.0808
F 202.882.0809

*** Slip Sheet ***

Document

Name of Offeree:_____
Memorandum Number:

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

LaKritz Adler Partners, L.P.

A Washington, D.C., Real Estate Opportunity Fund

Sponsored by:

LAKRITZ | ADLER
real estate development

LaKritz Adler Development, LLC
4326 8th Street, NW
Washington, D.C. 20011
Telephone: 202-882-0808
Facsimile: 202-882-0809
www.lakritzadler.com

September 2008

CONFIDENTIAL DRAFT

CONFIDENTIAL

LA 00001687

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017882

Redacted

CONFIDENTIAL DRAFT

CONFIDENTIAL

LA 00001688

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017883

Redacted

Current Developments (Case Studies) 18

Redacted

1920 8th Street, NW, Washington, D.C. (Ground Leased, In Development) 20

Redacted

Redacted

CONFIDENTIAL

CONFIDENTIAL

LA 00001689

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017884

Redacted

CONFIDENTIAL

LA 00001690

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017885

Redacted

CONFIDENTIAL

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

CONFIDENTIAL

LA 00001692

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017887

Redacted

CONFIDENTIAL DRAF

CONFIDENTIAL

LA 00001693

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017888

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

CONFI

CONFIDENTIAL

LA 00001694

WMATA-INV 017889

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

CONFIDENTIAL

LA 00001695

WMATA-INV 017890

Redacted

CONFIDENTIAL

LA 00001696

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017891

Summary Financing & Return Projections for All Development Properties
As-If Completed and Sold According to Pro Forma Schedule

Projected as of September 2008	1920 8th St
Purchase Date	9/30/2007
Project Completion	9/30/2017
Purchase Price	100,000
Acquisition Financing Received	
LAD Net Cash Invested at Acquisition	213,528
Refinancing Proceeds Since Acquisition	
Initial Investment	213,528
Additional Investment Since Acquisition	131,430
Est. Costs to Complete Project	19,938,195
Existing Debt Available to Complete Project	
Additional Investment Required to Complete	669,200
Estimated Market Value at Project Completion	27,838,730
Estimated Selling Costs	835,162
Outstanding Debt at Project Completion	15,179,096
Estimated Additional Cash Upon Sale	8,370,622
Gross Cash Returned Including Sale	11,434,873
Investment Term (months)	120
Annualized Return Including Sale	112.8%
Equity Multiple Including Sale	11.3
IRR of Net Investment Cash Flow (monthly)	2.72%
Annual IRR	32.6%

Redacted

CONFIDENTIAL

CONFIDENTIAL

LA 00001697

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017892

Redacted

CONFIDENTIAL

LA 00001698

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017893

Redacted

CONFIDENTIAL

LA 00001699

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017894

Redacted

CONFIDENTIAL

CONFIDENTIAL

LA 00001700

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017895

Investment Strategy

Redacted

The opportunity types that the Company targets include:

1) Mixed-use commercial development and redevelopment sites on the edge of central business districts, especially those with strong retail potential. These opportunities are exemplified by recent acquisitions and pipeline projects such as { Redacted 1920 8th Street, Redacted The Company believes that ongoing steep increases in CBD commercial rents, combined with the residential gentrification and improving aesthetics, safety and demographics of many urban neighborhoods over the past ten years, is both forcing and attracting many downtown commercial tenants, both office and retail, into economically transitional areas such as U Street, Georgia Avenue and H Street Northeast in Washington, D.C., and downtown Silver Spring, Maryland. After enormous residential growth in these areas over the past ten years, the commercial opportunities have become relatively underdeveloped and attractive, and the Company believes the commercial growth will follow the well-established residential growth – particularly on urban sites previously considered only for residential development.

The Company identifies and secures these sites, and when needed, obtains regulatory approvals for development. In many cases, after analyzing the probable risk-adjusted returns and equity requirements for the proposed project, the Company may find a joint venture partner to build the project, or may sell the entitled site to a third party.

Redacted

CONFIDENTIAL LA 00001701

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017896

Redacted

3) Special Situations: distressed commercial and residential sales; public bids; off-market sales; information asymmetries; complex joint ventures. LAD will continue to seek acquisitions that can be purchased substantially below market value for various reasons.

Redacted

B. Public Bids. In the right circumstances, public bids can sometimes be value acquisitions. The Company's reputation for quality neighborhood redevelopment and excellent relationships with Washington, D.C., city officials and community leaders, as well as its certification as a "Local, Small and Disadvantaged Business Enterprise" (LSDBE) in Washington, D.C., puts it in a favorable position with respect to public and quasi-public dispositions of property for redevelopment. While the Company's primary business is not in the pursuit of public awards, it may seek such awards from time to time when there is a high probability of winning property rights at a discount to market value, such as its pursuit of the WMATA parcels adjacent to 1920 8th Street in the U Street neighborhood, Redacted

Redacted

CONFIDENTIAL

LA 00001702

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017897

Redacted

CONFIDENTIAL

LA 00001703

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017898

Current Developments (Case Studies)

Redacted

CONFIDENTIAL

LA 00001704

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017899

Redacted

CONFIDENTIAL

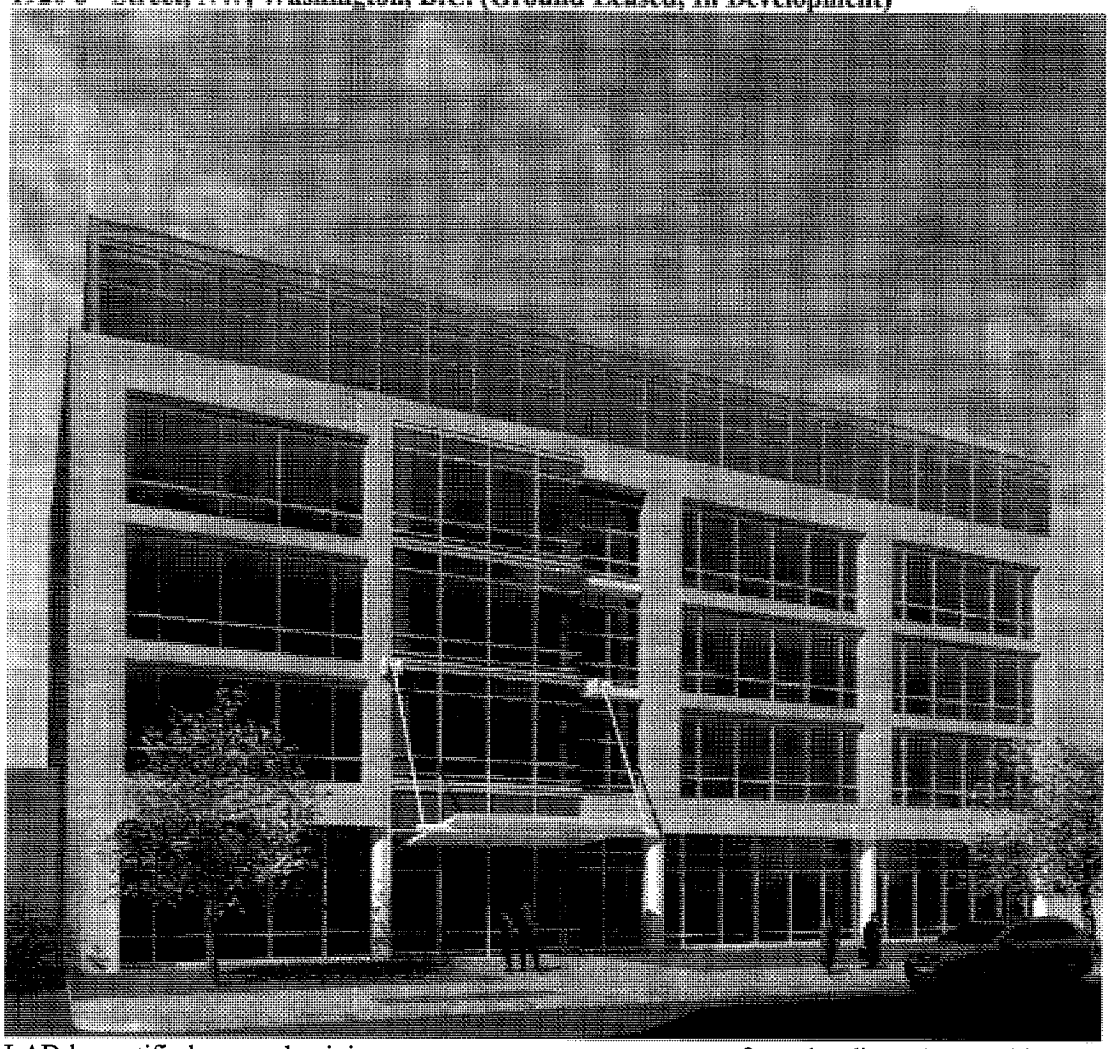
LA 00001705

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017900

Redacted

1920 8th Street, NW, Washington, D.C. (Ground Leased, In Development)



LAD has ratified a complex joint venture agreement – a ten-year fee-subordinated ground lease with purchase option – on an 11,320 square foot commercially-zoned vacant lot in the booming U Street neighborhood of Washington, D.C., six blocks north of the new Washington Convention Center, two blocks east of the U Street Metro entrance, and one block southwest of Howard University. The ground lease commenced in September 2007. The ground lease structure requires the landlord to pledge its entire unencumbered fee interest in the site toward LAD's development financing, thereby creating an estimated $5 million in land equity in the

CONFIDENTIAL

LA 00001706

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017901

planned project. During the ten-year ground lease, the purchase option exercise price remains essentially flat, at about $5 million, but virtually all of the ground lease payments during the lease (averaging about 3.5% of the option price annually) are credited to the option price, so the actual purchase price will be about $3.6 million at the end of the tenth year, which will have been, in effect, financed 100% by the seller at an interest-only rate of about 5.2%, subordinated to all other financing without any limits on leverage or guarantees of payment.

LAD intends to build a 47,600 square-foot office and retail building on the site. Total project cost is estimated at about $15 million, with about $5 million in developer's profit at completion.

Alternatively, 1920 8th Street is part of a land assemblage now in negotiation between LAD and WMATA. WMATA owns three developable vacant parcels (totaling approximately 28,000 square-feet of land along Florida Avenue) adjacent to 1920 8th Street, for which it has sought offers of sale or lease through a public solicitation process. 1920 8th Street is the only significant developable parcel adjacent to the three vacant lots owned by WMATA – as LAD was aware when it negotiated its ground lease immediately prior to the WMATA solicitation – and LAD is now one of three finalists (from over twenty initial submissions) selected by WMATA for these parcels.

If LAD is awarded the WMATA parcels, it has proposed to build a 90,000 square-foot office building, a 72,000 square-foot hotel, and a 4,000 square-foot freestanding retail building.

CONFIDENTIAL DRAFT

CONFIDENTIAL

LA 00001707

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017902

Redacted

CONFIDENTIAL

LA 00001708

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017903

Redacted

CONFIDENTIAL

LA 00001709

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017904

Redacted

CONFIDENTIAL

LA 00001710

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017905

Comprehensive Track Record

The following is a list of every completed acquisition and outcome since the founding of the Manager and its affiliates, in chronological order of purchase. For more detailed financial results on each property, see tables in Summary of Historical Results section, above.

Redacted

CONFIDENTIAL

LA 00001711

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017906

Redacted

CONFIDENTIAL

LA 00001712

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017907

Redacted

CONFIDENTIAL

LA 00001713

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017908

Redacted

CONFIDENTIAL

LA 00001714

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017909

Redacted

CONFIDENTIAL

LA 00001715

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017910

Redacted

CONFIDENTIAL

LA 00001716

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017911

Redacted

25. 1920 Eighth Street, NW, Washington, D.C.
Described in Case Studies, above
Ground Lease: September 2007

Redacted

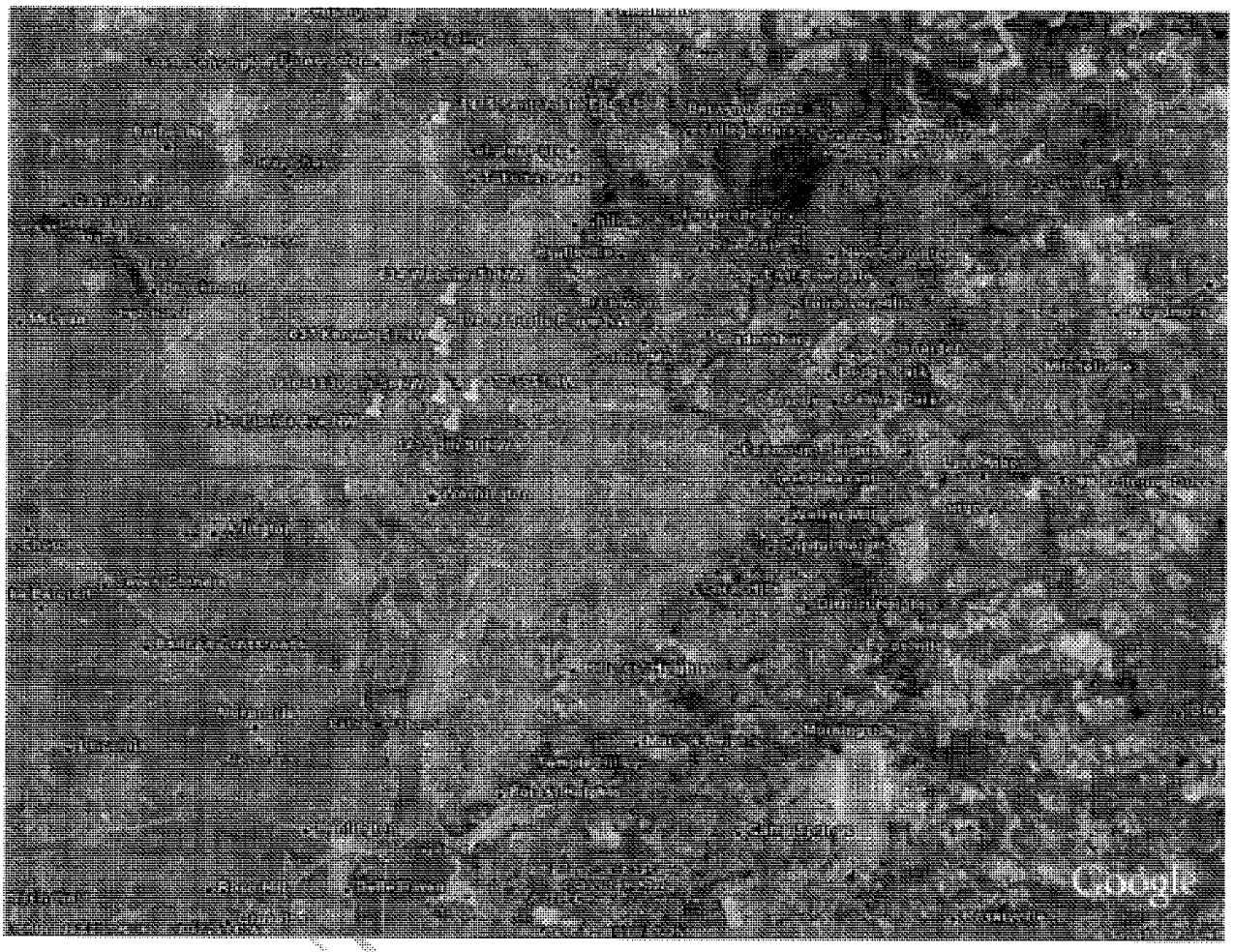
CONFIDENTIAL

LA 00001717

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017912

Maps



All LaKritz Adler Transactions Since 2002

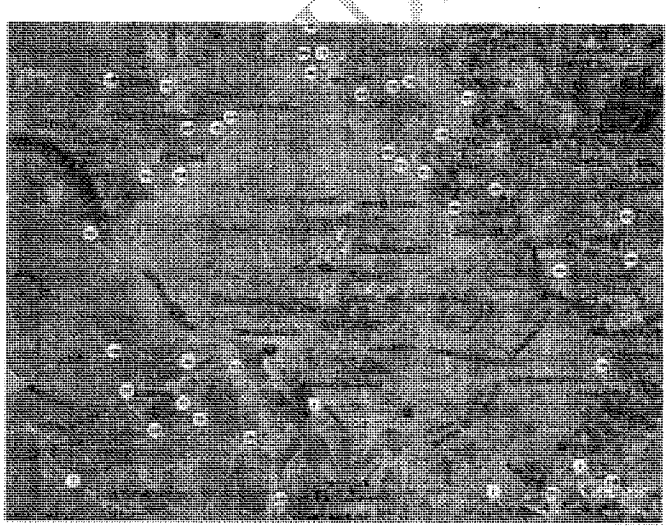
CONFIDENTIAL

LA 00001718

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017913

LaKritz Adler Transactions in Washington D.C.



CONFIDENTIAL

LA 00001719

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017914

Redacted

CONFIDENTIAL

LA 00001720

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017915

Redacted

CONFIDENTIAL

LA 00001721

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017916

Redacted

CONFIDENTIAL

LA 00001722

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017917

Redacted

CONFIDENTIAL

LA 00001723

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017918

Redacted

CONFIDENTIAL

LA 00001724

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017919

Redacted

CONFIDENTIAL

LA 00001725

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017920

Redacted

CONFIDENTIAL DRAFT

CONFIDENTIAL

LA 00001726

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017921

*** Slip Sheet ***

Document

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Thursday, October 9, 2008 12:23 PM
To: josh@lakritzadler.com
Subject: Couple of things

Redacted

1920 8th St.

I have a call into the old man – we need to have a heart-to-heart with him and see what he's willing to do.

Simultaneously, I see little harm sealing the Omar deal. It's the difference between paying Medhane another $50,000 and the possibility of another $1,000,000. And we get a $50,000 non-refundable deposit in four months. We just need to get rid of having to pay him anything now. We should get this done ASAP, IMO. What do you think?

Redacted

LAKRITZ | ADLER

4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809
www.lakritzadler.com

*** Slip Sheet ***

Document

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Friday, October 10, 2008 12:24 PM
To: josh@lakritzadler.com
Subject: Plan of attack

Redacted

1920 8th

- Ink deal with Omar (so we can stop burning lease payments)
- Call Josh Olsen
- Sign agreement with CBRE?

Redacted

LAKRITZ | ADLER

4326 8th Street NW
Washington, DC 20011
T 202.882.0808
F 202.882.0809
www.lakritzadler.com

*** Slip Sheet ***

Document

From: Robb LaKritz <robb@lakritzadler.com>
Sent: Saturday, October 18, 2008 1:57 PM
To: robb@lakritzadler.com
Subject: Daily Tasks.docx
Attach: Daily Tasks.docx

*** Slip Sheet ***

Document

Redacted

1920 8th St.

- Omar (Josh)
- Arts Credit Contract
- Operating Agreement

Redacted

Redacted

Josh

Redacted

Omar Deal

Redacted

*** Slip Sheet ***

Document

From: Brad Voight - LA <brad@lakritzadler.com>
Sent: Friday, January 16, 2009 2:15 PM
To: robb@lakritzadler.com; 'Josh Adler' <josh@lakritzadler.com>
Subject: RE: Requested Financials for Builders Bank
Attach: Adler Financial Statement 10-29-08.xls; LaKritz Financial Statement 10-29-08.xls

---

Redacted

Redacted

*** Slip Sheet ***

Document

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

WMATA-INV 017939

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017941

FOIA CONFIDENTIAL TREATMENT REQUESTED

Personal Financial Statement

Name: Joshua A. Adler | Date: 10/29/2008

Redacted

Schedule 7 - PARTIALLY OWNED REAL ESTATE

Redacted

1920 8th St NW (Land for Development)	1920 8th Street LLC	$272,237	$1,000,000
Ground Lease		2007	

Redacted

WMATA-INV 017942

FOIA CONFIDENTIAL TREATMENT REQUESTED

	Q	R	S	T	U	V	W
1							PAGE 3
2							
3							
4							
5							
6–24	Redacted						
25							
26	BALANCE		% of		Ownership		
27–42	Redacted						
43–44	$0		50.00%		$500,000		
45–53	Redacted						

WMATA-INV 017943

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

*** Slip Sheet ***

Document

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

WMATA-INV 017955

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Personal Financial Statement

Name: Robb M. LaKritz Date: 10/29/2008

Redacted

Schedule 7 - PARTIALLY OWNED REAL ESTATE

Redacted

DESCRIPTION OF PROPERTY	TITLE IN THE NAME OF	YR ACQUIRED	VALUE
1920 8th St NW (Land for Development) Ground Lease	1920 8th Street LLC	$272,237 2007	$1,000,000

Redacted

WMATA-INV 017957

FOIA CONFIDENTIAL TREATMENT REQUESTED

Q	R	S	T	U	V	W
Redacted						
BALANCE		% of		Ownership		
Redacted						
$0		50.00%		$500,000		
Redacted						

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

FOIA CONFIDENTIAL TREATMENT REQUESTED

Redacted

*** Slip Sheet ***

Document

From: Brad Voight - LA <brad@lakritzadler.com>
Sent: Monday, March 2, 2009 10:59 AM
To: josh@lakritzadler.com; robb@lakritzadler.com
Subject: 2010 Real Estate Tax Assessments
Attach: 20090302104508055.pdf

Attached are 2010 re-assessments for all of the owned DC Property owned.

I didn't receive a re-assessment for 1920 8th Street NW but looked it up on-line. 2010 is now scheduled to be assessed for $3,143,070. The 2009 assessment was $1,962,391 as a result of the appeal. Prior to the 2009 appeal the assessment for 2009 was also set to be $3,143,070.

If you wish to appeal any of the assessments, the filing deadline is April 1st.

Bradley M. Voight, CPA
Vice President - Finance & Accounting

LAKRITZ ADLER

LaKritz Adler Development LLC
4326 8th Street, NW
Washington, DC 20011
E-Mail: Brad@LaKritzAdler.com
Phone: 202-882-0808
Fax: 202-882-0809
Cell: 301-742-5789

*** Slip Sheet ***

Document

From: robb@lakritzadler.com
Sent: Wednesday, January 13, 2010 10:12 PM
To: Mr. Josh Adler <josh@lakritzadler.com>
Subject: Att. Client Privileged Comm.

Redacted

Sat beside Warren Williams (of all people) Redacted He was, as you might imagine, a font of gossip. Says Omar is an idiot and wanted to out of the WMATA partnership within months of getting involved. Redacted

Redacted

Redacted

Sent via BlackBerry by AT&T

*** Slip Sheet ***

Document

Summary Financing & Return Projections for All Development Properties
As-If Completed and Sold According to Pro Forma Schedule

Projected as of September 2008	1920 8th St
Purchase Date	9/30/2007
Project Completion	9/30/2017
Purchase Price	100,000
Acquisition Financing Received	
LAD Net Cash Invested at Acquisition	213,528
Refinancing Proceeds Since Acquisition	
Initial Investment	213,528
Additional Investment Since Acquisition	131,430
Est. Costs to Complete Project	19,938,195
Existing Debt Available to Complete Project	
Additional Investment Required to Complete	669,200
Estimated Market Value at Project Completion	27,838,730
Estimated Selling Costs	835,162
Outstanding Debt at Project Completion	15,179,096
Estimated Additional Cash Upon Sale	8,370,622
Gross Cash Returned Including Sale	11,434,873
Investment Term (months)	120
Annualized Return Including Sale	112.8%
Equity Multiple Including Sale	11.3
IRR of Net Investment Cash Flow (monthly)	2.72%
Annual IRR	32.6%

Delete

Redacted

CONFIDENTIAL LA 00001763

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 017968

*** Slip Sheet ***

Document

BB&T

410-08-01-00 12208 0 C 001 26 50 003
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

Your account statement

For 12/31/2009

Contact us

BBT.com

(800) BANK-BBT or
(800) 226-5228

Times are tough but saying thank you to your employees is easy!

BB&T Gift Cards are the perfect way to say thank you to your employees!

From dinner to music, shopping and buying online - BB&T Gift Cards are welcomed at millions of locations where Visa® debit cards are accepted.

Visit your local BB&T financial center and get yours today!

BB&T Gift Cards are issued by BB&T Financial, FSB, a subsidiary of BB&T Corporation, Member FDIC.

■ FREE BUSINESS CHECKING 0005162778635

Account summary

Your previous balance as of 11/30/2009	$346.67
Checks	- 0.00
Other withdrawals, debits and service charges	- 0.00
Deposits, credits and interest	+ 0.00
Your new balance as of 12/31/2009	**= $346.67**

Questions, comments or errors?

Member FDIC

For general questions/comments or to report errors about your statement or account, please call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228) 24 hours a day, 7 days a week. BB&T Phone24 Client Service Associates are available to assist you from 6 a.m. until midnight ET. You may also contact your local BB&T financial center. To locate a BB&T financial center in your area, please visit BBT.com.

Electronic fund transfers

In case of errors or questions about your electronic fund transfers, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, contact us as soon as possible. You may write to us at the following address:

BB&T Liability Risk Management
P.O. Box 996
Wilson, NC 27894-0996

You may also call BB&T Phone24 at 1-800-BANK BBT or visit your local BB&T financial center. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. Please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

We will investigate your complaint/concern and promptly take corrective action. If we take more than ten (10) business days to complete our investigation, your account will be credited for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occurred. This will provide you with access to your funds during the time it takes us to complete our investigation. You may have no liability for unauthorized Check Card purchases, subject to the terms and conditions in the current BB&T Electronic Fund Transfer Agreement and Disclosures. If you have arranged for direct deposit(s) to your account, please call BB&T Phone24 at 1-800-BANK BBT to verify that a deposit has been made.

If your periodic statement shows transfers that you did not make, tell us at once. If you do not inform us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days. This will occur if we can prove that we could have stopped someone from taking the money if you had informed us in time. If a good reason kept you from informing us, we will extend the time periods.

Important information about your Constant Credit Account

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average daily balance." The **FINANCE CHARGE** is calculated by applying the "Daily periodic rate" to the "Average daily balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average daily balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the daily balance. Then we add all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average daily balance."

Billing rights summary

In case of errors or questions about your Constant Credit statement

If you think your statement is incorrect, or if you need more information about a Constant Credit transaction on your statement, please call 1-800-476-4228 or visit your local BB&T financial center. To dispute a payment, please write to us on a separate sheet of paper at the following address:

BankCard Services Division
P.O. Box 200
Wilson, NC 27894-0200

We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

During our investigation process, you are not responsible for paying any amount in question; you are, however, obligated to pay the items on your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

Mail-in deposits

If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

Change of address

If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).

How to Reconcile Your Account	
1. List the new balance of your account from your latest statement here:	
2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here:	
3. Subtract the amount in line 2 above from the amount in line 1 above and enter the total here:	
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here:	
5. Add the amount in line 4 to the amount in line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.	
For more information, please contact your local BB&T relationship manager, visit BBT.com, or contact BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).	

Outstanding Checks and Other Debits (Section A)			
Date/Check #	Amount.	Date/Check #	Amount

Outstanding Deposits and Other Credits (Section B)			
Date/Type	Amount	Date/Type	Amount

CONFIDENTIAL

LA 00001765

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017971

*** Slip Sheet ***

Document

BB&T

410-08-01-00 12208 0 C 001 26 50 003
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

Your account statement

For 11/30/2009

Contact us

BBT.com

(800) BANK-BBT or
(800) 226-5228

BB&T Business Money Market Savings Accounts - Providing you peace of mind.

We know times are tough and businesses want to protect themselves from additional expenses. BB&T's Business Money Market Savings accounts provide you the check writing flexibility of a money market account and can be set up as overdraft protection for your BB&T Business Checking Account to help you avoid costly overdraft fees. In addition, we have made it more convenient to open and manage an account. To learn more on how BB&T can help you and your business, visit us at BBT.com, call 1-800-BANK BBT (1-800-226-5228) or stop by your local BB&T financial center.

Only deposits are FDIC insured. Member, FDIC

▪ FREE BUSINESS CHECKING 0005162778635

Account summary

Your previous balance as of 10/30/2009	$346.67
Checks	- 0.00
Other withdrawals, debits and service charges	- 0.00
Deposits, credits and interest	+ 0.00
Your new balance as of 11/30/2009	= $346.67

Notice to All BB&T clients

Recently, the Federal Reserve issued a ruling requiring all banks to notify the following: effective immediately, transactions may be rejected or stopped in accordance with The Unlawful Internet Gambling Enforcement Act, 12 CFR Part 233 (Regulation GG), if the transfers are believed to be connected with an unlawful transaction or activity, including but not limited to, gaming, gambling, lottery, or similar activities.

CONFIDENTIAL

LA 00001766

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017973

Questions, comments or errors?

Member FDIC

For general questions/comments or to report errors about your statement or account, please call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228) 24 hours a day, 7 days a week. BB&T Phone24 Client Service Associates are available to assist you from 6 a.m. until midnight ET. You may also contact your local BB&T financial center. To locate a BB&T financial center in your area, please visit BBT.com.

Electronic fund transfers

In case of errors or questions about your electronic fund transfers, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, contact us as soon as possible. You may write to us at the following address:

BB&T Liability Risk Management
P.O. Box 996
Wilson, NC 27894-0996

You may also call BB&T Phone24 at 1-800-BANK BBT or visit your local BB&T financial center. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. Please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

We will investigate your complaint/concern and promptly take corrective action. If we take more than ten (10) business days to complete our investigation, your account will be credited for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occurred. This will provide you with access to your funds during the time it takes us to complete our investigation. You may have no liability for unauthorized Check Card purchases, subject to the terms and conditions in the current BB&T Electronic Fund Transfer Agreement and Disclosures. If you have arranged for direct deposit(s) to your account, please call BB&T Phone24 at 1-800-BANK BBT to verify that a deposit has been made.

If your periodic statement shows transfers that you did not make, tell us at once. If you do not inform us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days. This will occur if we can prove that we could have stopped someone from taking the money if you had informed us in time. If a good reason kept you from informing us, we will extend the time periods.

Important information about your Constant Credit Account

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average daily balance." The **FINANCE CHARGE** is calculated by applying the "Daily periodic rate" to the "Average daily balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average daily balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the daily balance. Then we add all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average daily balance."

Billing rights summary

In case of errors or questions about your Constant Credit statement

If you think your statement is incorrect, or if you need more information about a Constant Credit transaction on your statement, please call 1-800-476-4228 or visit your local BB&T financial center. To dispute a payment, please write to us on a separate sheet of paper at the following address:

BankCard Services Division
P.O. Box 200
Wilson, NC 27894-0200

We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

During our investigation process, you are not responsible for paying any amount in question; you are, however, obligated to pay the items on your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

Mail-in deposits

If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

Change of address

If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).

How to Reconcile Your Account	
1. List the new balance of your account from your latest statement here:	
2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here:	
3. Subtract the amount in line 2 above from the amount in line 1 above and enter the total here:	
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here:	
5. Add the amount in line 4 to the amount in line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.	
For more information, please contact your local BB&T relationship manager, visit BBT.com, or contact BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).	

Outstanding Checks and Other Debits (Section A)

Date/Check #	Amount	Date/Check #	Amount

Outstanding Deposits and Other Credits (Section B)

Date/Type	Amount	Date/Type	Amount

CONFIDENTIAL

LA 00001767

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017974

*** Slip Sheet ***

Document

BB&T

410-08-01-00 12208 0 C 001 26 50 003
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

Your account statement

For 10/30/2009

Contact us

BBT.com

(800) BANK-BBT or
(800) 226-5228

Employee Benefit expenses keeping you up at night? Sleep better tonight. BB&T is here to help!

BB&T's Health Savings Account is a tax-free account your employees can use to pay for qualified medical expenses. BB&T Health Savings Accounts (HSAs) offer the following benefits:

- For you -- may significantly lower healthcare premiums, reduce workers compensation and Social Security costs when HSA is funded through payroll deductions.** And, you can choose to help fund your employees' HSAs by making tax-deductible contributions.**
- For your employees -- allows your employees to pay their deductible and other uncovered healthcare costs tax-free, as well as carry their balance from year to year.**

To qualify for a Health Savings Account, you must offer a high-deductible health plan (HDHP).* To apply for or learn more about Health Savings Accounts and to determine your eligibility, please visit www.BBT.com/bbt/business/products/hsa.

*2009 eligibility must be at least $1,100 per individual, or $2,200 per family. Annual out-of-pocket expenses (including deductibles and co-pays) not exceeding $5,600 for individuals or $11,200 for families

**The tax information set forth above is written to support the promotion or marketing of health savings accounts and it is not intended to be used, and cannot be used, for the purpose of avoiding US federal tax-related penalties. Each person considering opening a health savings account should seek advice, based on the person's particular circumstances, from an independent tax advisor.

Deposits are offered by Branch Banking and Trust Company, a Member FDIC.

FREE BUSINESS CHECKING 0005162778635

Account summary

Your previous balance as of 09/30/2009	$346.67
Checks	- 0.00
Other withdrawals, debits and service charges	- 0.00
Deposits, credits and interest	+ 0.00
Your new balance as of 10/30/2009	= $346.67

0001505

CONFIDENTIAL

LA 00001768

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017976

Questions, comments or errors?

Member FDIC

For general questions/comments or to report errors about your statement or account, please call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228) 24 hours a day, 7 days a week. BB&T Phone24 Client Service Associates are available to assist you from 6 a.m. until midnight ET. You may also contact your local BB&T financial center. To locate a BB&T financial center in your area, please visit BBT.com.

Electronic fund transfers

In case of errors or questions about your electronic fund transfers, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, contact us as soon as possible. You may write to us at the following address:

BB&T Liability Risk Management
P.O. Box 996
Wilson, NC 27894-0996

You may also call BB&T Phone24 at 1-800-BANK BBT or visit your local BB&T financial center. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. Please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

We will investigate your complaint/concern and promptly take corrective action. If we take more than ten (10) business days to complete our investigation, your account will be credited for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occurred. This will provide you with access to your funds during the time it takes us to complete our investigation. You may have no liability for unauthorized Check Card purchases, subject to the terms and conditions in the current BB&T Electronic Fund Transfer Agreement and Disclosures. If you have arranged for direct deposit(s) to your account, please call BB&T Phone24 at 1-800-BANK BBT to verify that a deposit has been made.

If your periodic statement shows transfers that you did not make, tell us at once. If you do not inform us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days. This will occur if we can prove that we could have stopped someone from taking the money if you had informed us in time. If a good reason kept you from informing us, we will extend the time periods.

Important information about your Constant Credit Account

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average daily balance." The **FINANCE CHARGE** is calculated by applying the "Daily periodic rate" to the "Average daily balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average daily balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the daily balance. Then we add all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average daily balance."

Billing rights summary

In case of errors or questions about your Constant Credit statement

If you think your statement is incorrect, or if you need more information about a Constant Credit transaction on your statement, please call 1-800-476-4228 or visit your local BB&T financial center. To dispute a payment, please write to us on a separate sheet of paper at the following address:

BankCard Services Division
P.O. Box 200
Wilson, NC 27894-0200

We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

During our investigation process, you are not responsible for paying any amount in question; you are, however, obligated to pay the items on your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

Mail-in deposits

If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

Change of address

If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).

How to Reconcile Your Account	
1. List the new balance of your account from your latest statement here:	
2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here:	
3. Subtract the amount in line 2 above from the amount in line 1 above and enter the total here:	
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here:	
5. Add the amount in line 4 to the amount in line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.	
For more information, please contact your local BB&T relationship manager, visit BBT.com, or contact BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).	

Outstanding Checks and Other Debits (Section A)

Date/Check #	Amount	Date/Check #	Amount

Outstanding Deposits and Other Credits (Section B)

Date/Type	Amount	Date/Type	Amount

CONFIDENTIAL

LA 00001769

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017977

*** Slip Sheet ***

Document

BB&T

410-08-01-00 12208 0 C 001 26 50 003
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

Your account statement

For 09/30/2009

Contact us

BBT.com

(800) BANK-BBT or
(800) 226-5228

The Rules Governing Savings and Money Market Deposit Accounts Have Changed!

Thank you for banking with BB&T. We want to make you aware of a change to the transaction limitations on savings and money market deposit accounts that is to your benefit.

In the past, federal regulations have limited the total number of pre-authorized, automatic or telephone (including BB&T OnLine) transfers or withdrawals from savings and money market deposit accounts to six per statement cycle. Of these six, three could be made to a third party by check, draft, debit card, ATM card point-of-sale transaction or similar order per statement cycle.

Effective August 3, 2009, the limitation that no more than three of the six transfers or withdrawals could be payable to third parties ended. Savings and money market deposit accounts are now allowed six transfers or withdrawals per statement cycle, of any type. Unlimited in-person withdrawals and transfers can still be made at BB&T financial centers and ATMs. Please note that an activity fee may still apply on certain savings and money market accounts.

We welcome the opportunity to discuss your savings options. Stop by your local BB&T financial center today, call us at 1-800-BANK BBT, or visit BBT.com.

▪ FREE BUSINESS CHECKING 0005162778635

Account summary

Your previous balance as of 08/31/2009	$346.67
Checks	- 0.00
Other withdrawals, debits and service charges	- 0.00
Deposits, credits and interest	+ 0.00
Your new balance as of 09/30/2009	= $346.67

0001585

CONFIDENTIAL

LA 00001770

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017979

Questions, comments or errors?

Member FDIC

For general questions/comments or to report errors about your statement or account, please call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228) 24 hours a day, 7 days a week. BB&T Phone24 Client Service Associates are available to assist you from 6 a.m. until midnight ET. You may also contact your local BB&T financial center. To locate a BB&T financial center in your area, please visit BBT.com.

Electronic fund transfers

In case of errors or questions about your electronic fund transfers, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, contact us as soon as possible. You may write to us at the following address:

BB&T Liability Risk Management
P.O. Box 996
Wilson, NC 27894-0996

You may also call BB&T Phone24 at 1-800-BANK BBT or visit your local BB&T financial center. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. Please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

We will investigate your complaint/concern and promptly take corrective action. If we take more than ten (10) business days to complete our investigation, your account will be credited for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occurred. This will provide you with access to your funds during the time it takes us to complete our investigation. You may have no liability for unauthorized Check Card purchases, subject to the terms and conditions in the current BB&T Electronic Fund Transfer Agreement and Disclosures. If you have arranged for direct deposit(s) to your account, please call BB&T Phone24 at 1-800-BANK BBT to verify that a deposit has been made.

If your periodic statement shows transfers that you did not make, tell us at once. If you do not inform us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days. This will occur if we can prove that we could have stopped someone from taking the money if you had informed us in time. If a good reason kept you from informing us, we will extend the time periods.

Important information about your Constant Credit Account

Once advances are made from your Constant Credit Account, a FINANCE CHARGE will automatically be imposed on the account's outstanding "Average daily balance." The **FINANCE CHARGE** is calculated by applying the "Daily periodic rate" to the "Average daily balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average daily balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the daily balance. Then we add all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average daily balance."

Billing rights summary

In case of errors or questions about your Constant Credit statement

If you think your statement is incorrect, or if you need more information about a Constant Credit transaction on your statement, please call 1-800-476-4228 or visit your local BB&T financial center. To dispute a payment, please write to us on a separate sheet of paper at the following address:

BankCard Services Division
P.O. Box 200
Wilson, NC 27894-0200

We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

During our investigation process, you are not responsible for paying any amount in question; you are, however, obligated to pay the items on your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

Mail-in deposits

If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

Change of address

If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).

How to Reconcile Your Account	
1. List the new balance of your account from your latest statement here:	
2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here:	
3. Subtract the amount in line 2 above from the amount in line 1 above and enter the total here:	
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here:	
5. Add the amount in line 4 to the amount in line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.	
For more information, please contact your local BB&T relationship manager, visit BBT.com, or contact BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).	

Outstanding Checks and Other Debits (Section A)			
Date/Check #	Amount	Date/Check #	Amount

Outstanding Deposits and Other Credits (Section B)			
Date/Type	Amount	Date/Type	Amount

*** Slip Sheet ***

Document

BB&T

410-08-01-00 12208 0 C 001 26 50 003
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

Your account statement

For 08/31/2009

Contact us

BBT.com

(800) BANK-BBT or
(800) 226-5228

BB&T Merchant Services: Doing more to improve your cash flow

By choosing BB&T Merchant Services we'll:

- Match or beat your existing discount rate,* or give you a great low rate if you are not accepting credit and debit cards
- Subtract $100 from the price of a terminal or reprogram your existing terminal for free
- Credit your account $25 upon activation**
- Provide next-business day funding of Visa®, MasterCard® and Discover® Network transactions into your BB&T checking account

Call today for your free quote: 1-800-226-5228 or visit BBT.com/merchantoffer

*Subject to business type and credit approval. Offer valid for clients with Visa/MasterCard/Discover aggregate annual sales less than $1 million.
** Must activate merchant account within 60 days of merchant account opening. Offer not available to existing merchant services clients.
BB&T Merchant Services is a division of BB&T Financial, FSB, a subsidiary of BB&T Corporation. Member FDIC.
© 2009, Branch Banking and Trust Company. All Rights Reserved. Member FDIC.

■ FREE BUSINESS CHECKING 0005162778635

Account summary

Your previous balance as of 07/31/2009	$346.67
Checks	- 0.00
Other withdrawals, debits and service charges	- 0.00
Deposits, credits and interest	+ 0.00
Your new balance as of 08/31/2009	= $346.67

Questions, comments or errors?

Member FDIC

For general questions/comments or to report errors about your statement or account, please call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228) 24 hours a day, 7 days a week. BB&T Phone24 Client Service Associates are available to assist you from 6 a.m. until midnight ET. You may also contact your local BB&T financial center. To locate a BB&T financial center in your area, please visit BBT.com.

Electronic fund transfers

In case of errors or questions about your electronic fund transfers, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, contact us as soon as possible. You may write to us at the following address:

BB&T Liability Risk Management
P.O. Box 996
Wilson, NC 27894-0996

You may also call BB&T Phone24 at 1-800-BANK BBT or visit your local BB&T financial center. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. Please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

We will investigate your complaint/concern and promptly take corrective action. If we take more than ten (10) business days to complete our investigation, your account will be credited for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occurred. This will provide you with access to your funds during the time it takes us to complete our investigation. You may have no liability for unauthorized Check Card purchases, subject to the terms and conditions in the current BB&T Electronic Fund Transfer Agreement and Disclosures. If you have arranged for direct deposit(s) to your account, please call BB&T Phone24 at 1-800-BANK BBT to verify that a deposit has been made.

If your periodic statement shows transfers that you did not make, tell us at once. If you do not inform us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days. This will occur if we can prove that we could have stopped someone from taking the money if you had informed us in time.. If a good reason kept you from informing us, we will extend the time periods.

Important information about your Constant Credit Account

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average daily balance." The **FINANCE CHARGE** is calculated by applying the "Daily periodic rate" to the "Average daily balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average daily balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the daily balance. Then we add all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average daily balance."

Billing rights summary

In case of errors or questions about your Constant Credit statement

If you think your statement is incorrect, or if you need more information about a Constant Credit transaction on your statement, please call 1-800-476-4228 or visit your local BB&T financial center. To dispute a payment, please write to us on a separate sheet of paper at the following address:

BankCard Services Division
P.O. Box 200
Wilson, NC 27894-0200

We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

During our investigation process, you are not responsible for paying any amount in question; you are, however, obligated to pay the items on your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

Mail-in deposits

If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

Change of address

If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).

How to Reconcile Your Account	
1. List the new balance of your account from your latest statement here:	
2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here:	
3. Subtract the amount in line 2 above from the amount in line 1 above and enter the total here:	
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here:	
5. Add the amount in line 4 to the amount in line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.	
For more information, please contact your local BB&T relationship manager, visit BBT.com, or contact BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).	

Outstanding Checks and Other Debits (Section A)

Date/Check #	Amount	Date/Check #	Amount

Outstanding Deposits and Other Credits (Section B)

Date/Type	Amount	Date/Type	Amount

CONFIDENTIAL

LA 00001773

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017983

*** Slip Sheet ***

Document

BB&T

410-08-01-00 12208 0 C 001 26 50 003
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

Your account statement

For 07/31/2009

Contact us

BBT.com

(800) BANK-BBT or
(800) 226-5228

BB&T Merchant Services: Doing more to improve your cash flow

By choosing BB&T Merchant Services we'll:

- Match or beat your existing discount rate,* or give you a great low rate if you are not accepting credit and debit cards
- Subtract $100 from the price of a terminal or reprogram your existing terminal for free
- Credit your account $25 upon activation**
- Provide next-business day funding of Visa®, MasterCard® and Discover® Network transactions into your BB&T checking account

Call today for your free quote: 1-800-226-5228 or visit BBT.com/merchantoffer

*Subject to business type and credit approval. Offer valid for clients with Visa/MasterCard/Discover aggregate annual sales less than $1 million.
** Must activate merchant account within 60 days of merchant account opening. Offer not available to existing merchant services clients.
BB&T Merchant Services is a division of BB&T Financial, FSB, a subsidiary of BB&T Corporation. Member FDIC.
© 2009, Branch Banking and Trust Company. All Rights Reserved. Member FDIC.

▪ FREE BUSINESS CHECKING 0005162778635

Account summary

Your previous balance as of 06/30/2009	$50.65
Checks	- 703.98
Other withdrawals, debits and service charges	- 0.00
Deposits, credits and interest	+ 1,000.00
Your new balance as of 07/31/2009	= $346.67

Checks

DATE	CHECK #	AMOUNT($)	DATE	CHECK #	AMOUNT($)	DATE	CHECK #	AMOUNT($)
07/29	1037	100.00	07/27	1038	166.78	07/28	1039	437.20
						Total checks		= $703.98

Deposits, credits and interest

DATE	DESCRIPTION	AMOUNT($)
07/15	BB&T ONLINE TRANSFER TRANSFER FROM CHECKING 0005162793618 07-15-09	500.00
07/15	BB&T ONLINE TRANSFER TRANSFER FROM CHECKING 0005162794134 07-15-09	500.00
Total deposits, credits and interest		= $1,000.00

Questions, comments or errors?

Member FDIC

For general questions/comments or to report errors about your statement or account, please call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228) 24 hours a day, 7 days a week. BB&T Phone24 Client Service Associates are available to assist you from 6 a.m. until midnight ET. You may also contact your local BB&T financial center. To locate a BB&T financial center in your area, please visit BBT.com.

Electronic fund transfers

In case of errors or questions about your electronic fund transfers, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, contact us as soon as possible. You may write to us at the following address:

BB&T Liability Risk Management
P.O. Box 996
Wilson, NC 27894-0996

You may also call BB&T Phone24 at 1-800-BANK BBT or visit your local BB&T financial center. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. Please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

We will investigate your complaint/concern and promptly take corrective action. If we take more than ten (10) business days to complete our investigation, your account will be credited for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occurred. This will provide you with access to your funds during the time it takes us to complete our investigation. You may have no liability for unauthorized Check Card purchases, subject to the terms and conditions in the current BB&T Electronic Fund Transfer Agreement and Disclosures. If you have arranged for direct deposit(s) to your account, please call BB&T Phone24 at 1-800-BANK BBT to verify that a deposit has been made.

If your periodic statement shows transfers that you did not make, tell us at once. If you do not inform us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days. This will occur if we can prove that we could have stopped someone from taking the money if you had informed us in time. If a good reason kept you from informing us, we will extend the time periods.

Important information about your Constant Credit Account

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average daily balance." The **FINANCE CHARGE** is calculated by applying the "Daily periodic rate" to the "Average daily balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average daily balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the daily balance. Then we add all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average daily balance."

Billing rights summary

In case of errors or questions about your Constant Credit statement

If you think your statement is incorrect, or if you need more information about a Constant Credit transaction on your statement, please call 1-800-476-4228 or visit your local BB&T financial center. To dispute a payment, please write to us on a separate sheet of paper at the following address:

BankCard Services Division
P.O. Box 200
Wilson, NC 27894-0200

We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

During our investigation process, you are not responsible for paying any amount in question; you are, however, obligated to pay the items on your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

Mail-in deposits

If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

Change of address

If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).

How to Reconcile Your Account	
1. List the new balance of your account from your latest statement here:	
2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here:	
3. Subtract the amount in line 2 above from the amount in line 1 above and enter the total here:	
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here:	
5. Add the amount in line 4 to the amount in line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.	
For more information, please contact your local BB&T relationship manager, visit BBT.com, or contact BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).	

Outstanding Checks and Other Debits (Section A)			
Date/Check #	Amount	Date/Check #	Amount

Outstanding Deposits and Other Credits (Section B)			
Date/Type	Amount	Date/Type	Amount

CONFIDENTIAL

LA 00001775

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017986

*** Slip Sheet ***

Document

BB&T

410-08-01-00 12208 0 C 001 26 50 003
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

Your account statement

For 05/29/2009

Contact us

BBT.com

(800) BANK-BBT or
(800) 226-5228

BB&T Merchant Services: Doing more to improve your cash flow

By choosing BB&T Merchant Services we'll:

- Match or beat your existing discount rate,* or give you a great low rate if you are not accepting credit and debit cards
- Subtract $100 from the price of a terminal or reprogram your existing terminal for free
- Credit your account $25 upon activation**
- Provide next-business day funding of Visa®, MasterCard® and Discover® Network transactions into your BB&T checking account

Call today for your free quote: 1-800-226-5228 or visit BBT.com/merchantoffer

*Subject to business type and credit approval. Offer valid for clients with Visa/MasterCard/Discover aggregate annual sales less than $1 million.
** Must activate merchant account within 60 days of merchant account opening. Offer not available to existing merchant services clients.
BB&T Merchant Services is a division of BB&T Financial, FSB, a subsidiary of BB&T Corporation. Member FDIC.
© 2009, Branch Banking and Trust Company. All Rights Reserved. Member FDIC.

■ FREE BUSINESS CHECKING 0005162778635

Account summary

Your previous balance as of 04/30/2009	$4,326.27
Checks	- 3,000.00
Other withdrawals, debits and service charges	- 0.00
Deposits, credits and interest	+ 0.00
Your new balance as of 05/29/2009	**= $1,326.27**

Checks

DATE	CHECK #	AMOUNT($)
05/08	1035	3,000.00
Total checks		**= $ 3,000.00**

AMENDMENT TO THE COMMERCIAL BANK SERVICES AGREEMENT
AND
NOTICE OF CHANGE TO THE BUSINESS SERVICES PRICING GUIDE

This Amendment contains changes to the "Commercial Bank Services Agreement" and "Business Services Pricing Guide" provided to you when your account was opened at BB&T. Continued use of your account after the effective date of this Amendment constitutes your

acceptance of the changes. To ensure that you have the most current version of the Commercial Bank Services Agreement and Business Services Pricing Guide, please visit your local financial center beginning July 1, 2009.

Effective July 1, 2009
The following changes will be made to the
Commercial Bank Services Agreement

Effective July 1, 2009 for accounts that feature an earnings credit allowance, BB&T will calculate the earnings credit based on 100% of the average positive collected balance. BB&T will remove the 10% reserve requirement deduction. As a result of this change, clients may now receive a higher earnings credit based on their eligible balances. The Commercial Bank Services Agreement is amended to read as follows:

C. RULES APPLICABLE TO ALL ACCOUNTS

1. Fees. You agree to pay the Bank for all services provided in connection with your account(s) in accordance with the Bank's current schedule of maintenance fees, activity charges, and minimum and/or average balance requirements which are contained in a separate document called the "BB&T Business Services Pricing Guide." The Bank may change its maintenance fees, activity charges, and minimum and/or average balance requirements from time to time and will give notice of any change to the Organization. The terms of the BB&T Business Services Pricing Guide as they may be amended from time to time are incorporated herein by reference. For accounts that are analyzed monthly in terms of banking services utilized in relation to the account balances maintained, charges for bank services will be that amount recorded by the Bank's Account Analysis System. Earnings credits are calculated on the **average positive collected balance and a rate managed by the Bank which is subject to change from time to time.** The difference between the earnings credit rate allowance and the charges for bank services rendered will determine whether or not a service charge will be assessed. (For Earnings^2 Checking accounts, if the average positive monthly collected balance is less than the balance needed to offset balance-based service fees, then service charges will apply.) Additional fees may be charged for cash management services in the manner and amount as agreed upon by the Organization and the Bank by separate agreement.

Effective July 1, 2009
The following changes will be made to the
Business Services Pricing Guide

Depository Services:

Business Regular Checking, Public Fund Regular Checking, Business Interest Checking with ECR, Public Fund Interest Checking with ECR, Collateral Reserve Checking, Med Advantage Business Checking, Med Advantage Business Interest Checking, and Earnings^2 Checking:

FDIC Expense per $1,000 of average monthly ledger balance $0.1083

Please contact your BB&T financial center or call 1-800 BANK BBT (1-800-226-5228) if you have questions about your account.

CONFIDENTIAL

LA 00001777

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017989

BB&T

1920 8TH STREET LLC

Questions, comments or errors?

Member FDIC

For general questions/comments or to report errors about your statement or account, please call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228) 24 hours a day, 7 days a week. BB&T Phone24 Client Service Associates are available to assist you from 6 a.m. until midnight ET. You may also contact your local BB&T financial center. To locate a BB&T financial center in your area, please visit BBT.com.

Electronic fund transfers

In case of errors or questions about your electronic fund transfers, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, contact us as soon as possible. You may write to us at the following address:

BB&T Liability Risk Management
P.O. Box 996
Wilson, NC 27894-0996

You may also call BB&T Phone24 at 1-800-BANK BBT or visit your local BB&T financial center. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. Please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

We will investigate your complaint/concern and promptly take corrective action. If we take more than ten (10) business days to complete our investigation, your account will be credited for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occurred. This will provide you with access to your funds during the time it takes us to complete our investigation. You may have no liability for unauthorized Check Card purchases, subject to the terms and conditions in the current BB&T Electronic Fund Transfer Agreement and Disclosures. If you have arranged for direct deposit(s) to your account, please call BB&T Phone24 at 1-800-BANK BBT to verify that a deposit has been made.

If your periodic statement shows transfers that you did not make, tell us at once. If you do not inform us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days. This will occur if we can prove that we could have stopped someone from taking the money if you had informed us in time. If a good reason kept you from informing us, we will extend the time periods.

Important information about your Constant Credit Account

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average daily balance." The **FINANCE CHARGE** is calculated by applying the "Daily periodic rate" to the "Average daily balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average daily balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the daily balance. Then we add all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average daily balance."

Billing rights summary

In case of errors or questions about your Constant Credit statement

If you think your statement is incorrect, or if you need more information about a Constant Credit transaction on your statement, please call 1-800-476-4228 or visit your local BB&T financial center. To dispute a payment, please write to us on a separate sheet of paper at the following address:

BankCard Services Division
P.O. Box 200
Wilson, NC 27894-0200

We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

During our investigation process, you are not responsible for paying any amount in question; you are, however, obligated to pay the items on your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

Mail-in deposits

If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

Change of address

If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).

How to Reconcile Your Account	
1. List the new balance of your account from your latest statement here:	
2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here:	
3. Subtract the amount in line 2 above from the amount in line 1 above and enter the total here:	
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here:	
5. Add the amount in line 4 to the amount in line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.	
For more information, please contact your local BB&T relationship manager, visit BBT.com, or contact BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).	

Outstanding Checks and Other Debits (Section A)

Date/Check #	Amount	Date/Check #	Amount

Outstanding Deposits and Other Credits (Section B)

Date/Type	Amount	Date/Type	Amount

CONFIDENTIAL

LA 00001778

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017990

BB&T

410-08-01-00 12208 0 C 001 26 50 003
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

Your account statement

For 06/30/2009

Contact us

BBT.com

(800) BANK-BBT or
(800) 226-5228

BB&T Merchant Services: Doing more to improve your cash flow

By choosing BB&T Merchant Services we'll:

- Match or beat your existing discount rate,* or give you a great low rate if you are not accepting credit and debit cards
- Subtract $100 from the price of a terminal or reprogram your existing terminal for free
- Credit your account $25 upon activation**
- Provide next-business day funding of Visa®, MasterCard® and Discover® Network transactions into your BB&T checking account

Call today for your free quote: 1-800-226-5228 or visit BBT.com/merchantoffer

*Subject to business type and credit approval. Offer valid for clients with Visa/MasterCard/Discover aggregate annual sales less than $1 million.
** Must activate merchant account within 60 days of merchant account opening. Offer not available to existing merchant services clients.
BB&T Merchant Services is a division of BB&T Financial, FSB, a subsidiary of BB&T Corporation. Member FDIC.
© 2009, Branch Banking and Trust Company. All Rights Reserved. Member FDIC.

■ FREE BUSINESS CHECKING 0005162778635

Account summary

Your previous balance as of 05/29/2009	$1,326.27
Checks	- 1,875.62
Other withdrawals, debits and service charges	- 0.00
Deposits, credits and interest	+ 600.00
Your new balance as of 06/30/2009	= $50.65

Checks

DATE	CHECK #	AMOUNT($)
06/30	1036	1,875.62
Total checks		= $ 1,875.62

Deposits, credits and interest

DATE	DESCRIPTION	AMOUNT($)
06/19	BB&T ONLINE TRANSFER TRANSFER FROM CHECKING 0005162793618 06-19-09	300.00
06/19	BB&T ONLINE TRANSFER TRANSFER FROM CHECKING 0005162794134 06-19-09	300.00
Total deposits, credits and interest		= $600.00

Questions, comments or errors?

Member FDIC

For general questions/comments or to report errors about your statement or account, please call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228) 24 hours a day, 7 days a week. BB&T Phone24 Client Service Associates are available to assist you from 6 a.m. until midnight ET. You may also contact your local BB&T financial center. To locate a BB&T financial center in your area, please visit BBT.com.

Electronic fund transfers

In case of errors or questions about your electronic fund transfers, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, contact us as soon as possible. You may write to us at the following address:

BB&T Liability Risk Management
P.O. Box 996
Wilson, NC 27894-0996

You may also call BB&T Phone24 at 1-800-BANK BBT or visit your local BB&T financial center. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. Please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

We will investigate your complaint/concern and promptly take corrective action. If we take more than ten (10) business days to complete our investigation, your account will be credited for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occurred. This will provide you with access to your funds during the time it takes us to complete our investigation. You may have no liability for unauthorized Check Card purchases, subject to the terms and conditions in the current BB&T Electronic Fund Transfer Agreement and Disclosures. If you have arranged for direct deposit(s) to your account, please call BB&T Phone24 at 1-800-BANK BBT to verify that a deposit has been made.

If your periodic statement shows transfers that you did not make, tell us at once. If you do not inform us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days. This will occur if we can prove that we could have stopped someone from taking the money if you had informed us in time. If a good reason kept you from informing us, we will extend the time periods.

Important information about your Constant Credit Account

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average daily balance." The **FINANCE CHARGE** is calculated by applying the "Daily periodic rate" to the "Average daily balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average daily balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the daily balance. Then we add all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average daily balance."

Billing rights summary

In case of errors or questions about your Constant Credit statement

If you think your statement is incorrect, or if you need more information about a Constant Credit transaction on your statement, please call 1-800-476-4228 or visit your local BB&T financial center. To dispute a payment, please write to us on a separate sheet of paper at the following address:

BankCard Services Division
P.O. Box 200
Wilson, NC 27894-0200

We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

During our investigation process, you are not responsible for paying any amount in question; you are, however, obligated to pay the items on your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

Mail-in deposits

If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

Change of address

If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).

How to Reconcile Your Account	
1. List the new balance of your account from your latest statement here:	
2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here:	
3. Subtract the amount in line 2 above from the amount in line 1 above and enter the total here:	
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here:	
5. Add the amount in line 4 to the amount in line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.	
For more information, please contact your local BB&T relationship manager, visit BBT.com, or contact BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).	

Outstanding Checks and Other Debits (Section A)

Date/Check #	Amount	Date/Check #	Amount

Outstanding Deposits and Other Credits (Section B)

Date/Type	Amount	Date/Type	Amount

CONFIDENTIAL

LA 00001780

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017992

*** Slip Sheet ***

Document

BB&T

410-08-01-00 12208 0 C 001 26 50 003
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

Your account statement

For 03/31/2009

Contact us

BBT.com

(800) BANK-BBT or
(800) 226-5228

Sometimes, staying on top of your business doesn't cost you a thing!

BB&T Payment Solutions Free Webinar Series
To learn more visit BBT.COM/PAYMENTSWEBINAR

▪ FREE BUSINESS CHECKING 0005162778635

Account summary

Your previous balance as of 02/27/2009	$360.17
Checks	- 58.00
Other withdrawals, debits and service charges	- 0.00
Deposits, credits and interest	+ 6,000.00
Your new balance as of 03/31/2009	= $6,302.17

Checks

DATE	CHECK #	AMOUNT($)
03/16	1029	58.00
Total checks		= $ 58.00

Deposits, credits and interest

DATE	DESCRIPTION	AMOUNT($)
03/03	COUNTER DEPOSIT	3,000.00
03/27	COUNTER DEPOSIT	3,000.00
Total deposits, credits and interest		= $6,000.00

CONFIDENTIAL

LA 00001781

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017994

Questions, comments or errors?

Member FDIC

For general questions/comments or to report errors about your statement or account, please call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228) 24 hours a day, 7 days a week. BB&T Phone24 Client Service Associates are available to assist you from 6 a.m. until midnight ET. You may also contact your local BB&T financial center. To locate a BB&T financial center in your area, please visit BBT.com.

Electronic fund transfers

In case of errors or questions about your electronic fund transfers, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, contact us as soon as possible. You may write to us at the following address:

BB&T Liability Risk Management
P.O. Box 996
Wilson, NC 27894-0996

You may also call BB&T Phone24 at 1-800-BANK BBT or visit your local BB&T financial center. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. Please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

We will investigate your complaint/concern and promptly take corrective action. If we take more than ten (10) business days to complete our investigation, your account will be credited for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occurred. This will provide you with access to your funds during the time it takes us to complete our investigation. You may have no liability for unauthorized Check Card purchases, subject to the terms and conditions in the current BB&T Electronic Fund Transfer Agreement and Disclosures. If you have arranged for direct deposit(s) to your account, please call BB&T Phone24 at 1-800-BANK BBT to verify that a deposit has been made.

If your periodic statement shows transfers that you did not make, tell us at once. If you do not inform us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days. This will occur if we can prove that we could have stopped someone from taking the money if you had informed us in time. If a good reason kept you from informing us, we will extend the time periods.

Important information about your Constant Credit Account

Once advances are made from your Constant Credit Account, a FINANCE CHARGE will automatically be imposed on the account's outstanding "Average daily balance." The **FINANCE CHARGE** is calculated by applying the "Daily periodic rate" to the "Average daily balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average daily balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the daily balance. Then we add all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average daily balance."

Billing rights summary

In case of errors or questions about your Constant Credit statement

If you think your statement is incorrect, or if you need more information about a Constant Credit transaction on your statement, please call 1-800-476-4228 or visit your local BB&T financial center. To dispute a payment, please write to us on a separate sheet of paper at the following address:

BankCard Services Division
P.O. Box 200
Wilson, NC 27894-0200

We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

During our investigation process, you are not responsible for paying any amount in question; you are, however, obligated to pay the items on your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

Mail-in deposits

If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

Change of address

If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).

How to Reconcile Your Account	
1. List the new balance of your account from your latest statement here:	
2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here:	
3. Subtract the amount in line 2 above from the amount in line 1 above and enter the total here:	
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here:	
5. Add the amount in line 4 to the amount in line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.	
For more information, please contact your local BB&T relationship manager, visit BBT.com, or contact BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).	

Outstanding Checks and Other Debits (Section A)			
Date/Check #	Amount	Date/Check #	Amount

Outstanding Deposits and Other Credits (Section B)			
Date/Type	Amount	Date/Type	Amount

CONFIDENTIAL

LA 00001782

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017995

BB&T

410-08-01-00 12208 0 C 001 26 50 003
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

Your account statement

For 04/30/2009

Contact us

BBT.com

(800) BANK-BBT or
(800) 226-5228

A Strong Employee Benefits Package Can Give Your Company a Competitive Edge

Today, more than ever, resources are tight. At BB&T, we are committed to ensuring you have the right solutions to keep your costs under control while helping you attract and retain your most valuable resource - your employees.

The BB&T@Work program is an exclusive financial package offered to your employees that provides valuable savings on a wide range of BB&T products and services. BB&T@Work:

- Is a no-cost enhancement to your employee benefits package
- Encourages direct deposit of payroll
- Promotes employee financial well-being
- Requires no additional time investment from you for support

For more information on how your company can take advantage of BB&T@Work, visit your nearest BB&T financial center or www.BBT.com/atwork.

Member FDIC

▪ FREE BUSINESS CHECKING 0005162778635

Account summary

Your previous balance as of 03/31/2009	$6,302.17
Checks	- 4,975.90
Other withdrawals, debits and service charges	- 0.00
Deposits, credits and interest	+ 3,000.00
Your new balance as of 04/30/2009	**= $4,326.27**

Checks

DATE	CHECK #	AMOUNT($)	DATE	CHECK #	AMOUNT($)	DATE	CHECK #	AMOUNT($)
04/03	1030	250.00	04/07	1032	1,334.40	04/28	1034	827.50
04/06	1031	2,314.00	04/03	1033	250.00			
						Total checks		= $4,975.90

Deposits, credits and interest

DATE	DESCRIPTION	AMOUNT($)
04/29	COUNTER DEPOSIT	3,000.00
Total deposits, credits and interest		**= $3,000.00**

CONFIDENTIAL

LA 00001783

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017996

Questions, comments or errors?

Member FDIC

For general questions/comments or to report errors about your statement or account, please call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228) 24 hours a day, 7 days a week. BB&T Phone24 Client Service Associates are available to assist you from 6 a.m. until midnight ET. You may also contact your local BB&T financial center. To locate a BB&T financial center in your area, please visit BBT.com.

Electronic fund transfers

In case of errors or questions about your electronic fund transfers, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, contact us as soon as possible. You may write to us at the following address:

BB&T Liability Risk Management
P.O. Box 996
Wilson, NC 27894-0996

You may also call BB&T Phone24 at 1-800-BANK BBT or visit your local BB&T financial center. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. Please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

We will investigate your complaint/concern and promptly take corrective action. If we take more than ten (10) business days to complete our investigation, your account will be credited for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occurred. This will provide you with access to your funds during the time it takes us to complete our investigation. You may have no liability for unauthorized Check Card purchases, subject to the terms and conditions in the current BB&T Electronic Fund Transfer Agreement and Disclosures. If you have arranged for direct deposit(s) to your account, please call BB&T Phone24 at 1-800-BANK BBT to verify that a deposit has been made.

If your periodic statement shows transfers that you did not make, tell us at once. If you do not inform us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days. This will occur if we can prove that we could have stopped someone from taking the money if you had informed us in time. If a good reason kept you from informing us, we will extend the time periods.

Important information about your Constant Credit Account

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average daily balance." The **FINANCE CHARGE** is calculated by applying the "Daily periodic rate" to the "Average daily balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average daily balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the daily balance. Then we add all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average daily balance."

Billing rights summary

In case of errors or questions about your Constant Credit statement

If you think your statement is incorrect, or if you need more information about a Constant Credit transaction on your statement, please call 1-800-476-4228 or visit your local BB&T financial center. To dispute a payment, please write to us on a separate sheet of paper at the following address:

BankCard Services Division
P.O. Box 200
Wilson, NC 27894-0200

We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

During our investigation process, you are not responsible for paying any amount in question; you are, however, obligated to pay the items on your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

Mail-in deposits

If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

Change of address

If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).

How to Reconcile Your Account	
1. List the new balance of your account from your latest statement here:	
2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here:	
3. Subtract the amount in line 2 above from the amount in line 1 above and enter the total here:	
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here:	
5. Add the amount in line 4 to the amount in line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.	
For more information, please contact your local BB&T relationship manager, visit BBT.com, or contact BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).	

Outstanding Checks and Other Debits (Section A)			
Date/Check #	Amount	Date/Check #	Amount

Outstanding Deposits and Other Credits (Section B)			
Date/Type	Amount	Date/Type	Amount

CONFIDENTIAL

LA 00001784

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017997

*** Slip Sheet ***

Document

BB&T

410-08-01-00 12208 0 C 001 26 50 003
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

Your account statement

For 01/30/2009

Contact us

BBT.com

(800) BANK-BBT or
(800) 226-5228

Important Information Regarding FDIC Coverage

FDIC Insurance Coverage Limit Increases From $100,000 to $250,000 through December 31, 2009.

On October 3, 2008, President George W. Bush signed the Emergency Economic Stabilization Act of 2008, which temporarily raises the basic limit on federal deposit insurance coverage from $100,000 to $250,000 per depositor. The temporary increase in deposit insurance coverage became effective immediately upon the President's signature. The legislation provides that the basic deposit insurance limit will return to $100,000 on December 31, 2009.

BB&T is participating in the FDIC's Transaction Account Guarantee Program.

Under the Transaction Account Guarantee Program, through December 31, 2009 all non-interest bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Coverage under the Transaction Account Guarantee Program is in addition to and separate from the coverage available under the FDIC's general deposit insurance rules.

■ FREE BUSINESS CHECKING-MM 0005162778635

Account summary

Your previous balance as of 12/31/2008	$17,189.67
Checks	- 0.00
Other withdrawals, debits and service charges	- 19,000.00
Deposits, credits and interest	+ 3,000.00
Your new balance as of 01/30/2009	**= $1,189.67**

Other withdrawals, debits and service charges

DATE	DESCRIPTION	AMOUNT($)
01/30	BB&T ONLINE TRANSFER TRANSFER TO CHECKING 0005162793618 01-30-09	9,500.00
01/30	BB&T ONLINE TRANSFER TRANSFER TO CHECKING 0005162794134 01-30-09	9,500.00
Total other withdrawals, debits and service charges		**= $19,000.00**

Deposits, credits and interest

DATE	DESCRIPTION	AMOUNT($)
01/09	COUNTER DEPOSIT	3,000.00
Total deposits, credits and interest		**= $3,000.00**

0001164

CONFIDENTIAL

LA 00001785

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 017999

Questions, comments or errors?

Member FDIC

For general questions/comments or to report errors about your statement or account, please call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228) 24 hours a day, 7 days a week. BB&T Phone24 Client Service Associates are available to assist you from 6 a.m. until midnight ET. You may also contact your local BB&T financial center. To locate a BB&T financial center in your area, please visit BBT.com.

Electronic fund transfers

In case of errors or questions about your electronic fund transfers, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, contact us as soon as possible. You may write to us at the following address:

BB&T Liability Risk Management
P.O. Box 996
Wilson, NC 27894-0996

You may also call BB&T Phone24 at 1-800-BANK BBT or visit your local BB&T financial center. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. Please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

We will investigate your complaint/concern and promptly take corrective action. If we take more than ten (10) business days to complete our investigation, your account will be credited for the amount you think is in error, minus a maximum of $50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occurred. This will provide you with access to your funds during the time it takes us to complete our investigation. You may have no liability for unauthorized Check Card purchases, subject to the terms and conditions in the current BB&T Electronic Fund Transfer Agreement and Disclosures. If you have arranged for direct deposit(s) to your account, please call BB&T Phone24 at 1-800-BANK BBT to verify that a deposit has been made.

If your periodic statement shows transfers that you did not make, tell us at once. If you do not inform us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days. This will occur if we can prove that we could have stopped someone from taking the money if you had informed us in time. If a good reason kept you from informing us, we will extend the time periods.

Important information about your Constant Credit Account

Once advances are made from your Constant Credit Account, a **FINANCE CHARGE** will automatically be imposed on the account's outstanding "Average daily balance." The **FINANCE CHARGE** is calculated by applying the "Daily periodic rate" to the "Average daily balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average daily balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid **FINANCE CHARGE**. This gives us the daily balance. Then we add all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average daily balance."

Billing rights summary

In case of errors or questions about your Constant Credit statement

If you think your statement is incorrect, or if you need more information about a Constant Credit transaction on your statement, please call 1-800-476-4228 or visit your local BB&T financial center. To dispute a payment, please write to us on a separate sheet of paper at the following address:

BankCard Services Division
P.O. Box 200
Wilson, NC 27894-0200

We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

During our investigation process, you are not responsible for paying any amount in question; you are, however, obligated to pay the items on your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

Mail-in deposits

If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

Change of address

If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).

How to Reconcile Your Account	Outstanding Checks and Other Debits (Section A)			
	Date/Check #	Amount	Date/Check #	Amount
1. List the new balance of your account from your latest statement here:				
2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here:				
3. Subtract the amount in line 2 above from the amount in line 1 above and enter the total here:				
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here:	**Outstanding Deposits and Other Credits (Section B)**			
5. Add the amount in line 4 to the amount in line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.	Date/Type	Amount	Date/Type	Amount
For more information, please contact your local BB&T relationship manager, visit BBT.com, or contact BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).				

CONFIDENTIAL

LA 00001786

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 018000

BB&T

410-08-01-00 12208 0 C 001 26 50 003
1920 8TH STREET LLC
4326 8TH ST NW
WASHINGTON DC 20011-7214

Your account statement

For 02/27/2009

Contact us

BBT.com

(800) BANK-BBT or
(800) 226-5228

BB&T Merchant Services: Doing more to improve your cash flow

By choosing BB&T Merchant Services we'll:

- Match or Beat your existing discount rate*... or give you a great low rate if you are not accepting credit and debit cards
- Subtract $100 from the purchase of a new terminal... or reprogram your existing terminal for free
- Credit your account $25 upon activation**
- Provide next-business day funding of Visa® and MasterCard® transactions into your BB&T checking account

Call today for your free quote: 1-866-238-2420 or Visit BBT.com/merchantoffer

*Subject to business type and credit approval. Offer valid for clients with Visa/MasterCard aggregate annual sales less than $1 million.
** Must activate merchant account within 60 days of merchant account opening. Offer not available to existing merchant services clients.
BB&T Merchant Services is a division of BB&T Financial, FSB, a subsidiary of BB&T Corporation. Member FDIC.
© 2009, Branch Banking and Trust Company. All Rights Reserved. Member FDIC.

■ FREE BUSINESS CHECKING-MM 0005162778635

Account summary

Your previous balance as of 01/30/2009	$1,189.67
Checks	- 829.50
Other withdrawals, debits and service charges	- 0.00
Deposits, credits and interest	+ 0.00
Your new balance as of 02/27/2009	= $360.17

Checks

DATE	CHECK #	AMOUNT($)
02/02	1028	829.50
Total checks		= $ 829.50

Amendment to the Business Services Pricing Guide for Washington, D.C.

Important changes are being made to the *Business Services Pricing Guide* that you received when you opened your BB&T account. Continued use of your account after April 1, 2009, constitutes your acceptance of these changes. If you do not have a copy of the *Business Services Pricing Guide*, you may obtain an updated version at your local BB&T financial center, or if you have questions, call 1-800-BANK BBT.

Effective April 1, 2009

The following changes will be made to the *Business Services Pricing Guide* and may impact your account:

Depository Services:

Cash, Per $1,000 Deposited*	$1.60
Stop Payment Order	$34.00

Other Services:

Check Card International Transaction Fee (Fee charged for ATM and POS Purchase transactions performed with a Check Card outside the United States, Puerto Rico and U.S. Virgin Islands. International transactions include purchase, credit voucher, ATM transaction and cash disbursement original and reversal transactions.)	3% of transaction amount
International ATM Fee (Fee charged for ATM transactions outside the United States, Puerto Rico and U.S. Virgin Islands.)	$5.00
Non-BB&T Domestic ATM Fees (Fee charged for ATM transactions using any domestic ATM except a BB&T 24 ATM)	$2.00

Business Value 500 Checking, Business Value Checking, Free Business Checking, Business Interest Checking, Business Money Rate Checking, Basic Business Checking, Basic Public Fund Checking, Community Checking, Community Interest Checking, Civic Checking, Business Regular Savings, Public Fund Regular Savings:

Overdrawn Account Collections Fee	$30.00

(Fee assessed to your checking or savings account on the seventh calendar day that your account is overdrawn)

Business Regular Checking, Public Fund Regular Checking, Business Interest Checking, Public Fund Interest Checking, Collateral Reserve Checking, Med Advantage Business Checking, Med Advantage Business Interest Checking, Earnings² Checking:

FDIC Expense per $1,000 of average monthly ledger balance	$0.051

Business Regular Checking, Public Fund Regular Checking, Collateral Reserve Checking, Public Fund Special Money Rate Checking, Not-For-Profit Special Interest Checking:

Monthly Maintenance Fee	$17.00
Deposit or Other Credit	$0.60
Deposited Items	
• BB&T	$0.12
• Other In-State Institution	$0.12
• Out-of-State Institution	$0.12
Check Paid or Other Debit	$0.19

*Does not apply to Earnings² Checking.

Please contact your BB&T financial center or call 1-800 BANK BBT (1-800-226-5228) if you have questions about your account.

CONFIDENTIAL

LA 00001788

FOIA CONFIDENTIAL TREATMENT REQUESTED

WMATA-INV 018002

*** Slip Sheet ***

Document

FOIA CONFIDENTIAL TREATMENT REQUESTED

INTER-COMPANY BANK TRANSFER ADVICE

Date of Transfer: 7.1.08

From Account: 1920 8th St LLC **Posted:** ✓

Amount of Transfer: $225.-

To Account: LAD **Posted:** ✓

Confirmation #: 0031249080

Processed/Approved By:

Reason for Transfer:

_____ Loan

_____ Distribution to Member

_____ Investment of Capital by Member

_____ Repay Loan

✓ Other

Repaid Visa charge for 2-YR LLC Report Fee for 1920 8th St. LLC

CONFIDENTIAL

WMATA-INV 018004

FOIA CONFIDENTIAL TREATMENT REQUESTED

★ ★ ★ GOVERNMENT
OF THE
DISTRICT OF COLUMBIA

BRA 29 (REV 09/02)

Billing Voucher

Department of Consumer and Regulatory Affairs
Business and Professional License Administration
Corporation Division
941 North Capitol St. N.E.
Washington, D.C. 20002

D.C. TREASURER

Charge To:
1920 8TH STREET LLC

Office Use Only

				3222
Charge For: LLC - TWO-YEAR REPORT	QTY:	1	$ 225.00	
		1	$	
		1	$	
		1	$	
Date 7/1/2008	DB	PAY THIS AMOUNT PAYABLE TO THE D.C. TREASURER	$ 225.00	Total

CONFIDENTIAL

LA 00001790

WMATA-INV 018005

Reset Form

Print Form

BRA-25 (10/96)

GOVERNMENT OF THE DISTRICT OF COLUMBIA

File Number

TWO-YEAR REPORT FOR FOREIGN AND DOMESTIC LIMITED LIABILITY COMPANIES (LLC)

DUE JUNE 16th 2008

Filing Fee$ _____

Penalty _____

Interest _____

Total $ 150

RETAIN A COPY FOR YOUR RECORDS

MAKE CHECK PAYABLE TO D.C. TREASURER
MAIL REPORT TO : DEPT. OF CONSUMER AND REGULATORY AFFAIRS
BUSINESS REGULATION ADMINISTRATION, CORPORATIONS DIVISION
P.O. BOX 92300, WASHINGTON, D.C. 20090

Indicate if LLC is (Check 1)

☐ Domestic

☒ Foreign

1. Name of Limited Liability Company

1920 8th Street LLC

2. Organized under the laws of (insert District of Columbia, State or Country)

Delaware

3. Name of registered agent and address of registered office in the District of Columbia (Do not make change of agent or address on this form)

Robb M. LaKritz
4326 8th Street NW
Washington, DC 20011

4. Address, including street and number, if any, of principal executive offices (may be located in or outside of the District of Columbia).

4326 8th Street NW
Washington, DC 20011

ATTACH PAYMENT HERE

5. The name(s) and address(es), including street and number of the manager(s)

NAME ADDRESS

1920 8th Street Venture LLC, 4326 8th Street NW, Washington, DC 20011
Robb M. LaKritz, Managing Member
Joshua A. Adler, Managing Member

6. Name and address of authorized person executing this report.

NAME ADDRESS

Bradley M. Voight, VP-Fin/Acct, 4326 8th Street NW, Washington, DC 20011

By _____ (signature)
Authorized Person

FILING FEE:
Each Domestic and Foreign LLC pays a filing fee of $150.00

PENALTY:
Each Domestic and Foreign LLC pays a penalty of $75.00 if not filed by June 16.

A fee of $50.00 will be charged for dishonored checks

FILED
By

CONFIDENTIAL

LA 00001791

*** Slip Sheet ***

Document

Messages Help Security Logoff

OVERVIEW | ACCOUNTS | TRANSFERS | BILL PAYMENT | STATEMENTS | CUSTOMER SERVICE

Make Single Transfer | Make Repeating Transfer | Pending Transfers | Transfer History

Make Single Transfer

Your transfer has been sent.

From: 1920 8th Street LLC / $11,992.09
To: L-A Development LLC / $6,573.13
Amount: $225.00
Date: 07/01/2008

Your reference # is **0031249080**.

OK

For assistance, call BB&T OnLine Support at 1-888-BBT-ONLINE (1-888-228-6654).

CONFIDENTIAL LA 00001792

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 018008

*** Slip Sheet ***

Document

FOIA CONFIDENTIAL TREATMENT REQUESTED

INTER-COMPANY BANK TRANSFER ADVICE

Date of Transfer: 7-1-08

From Account: 1920 8th St. LLC **Posted:** ✓

Amount of Transfer: $225.—

To Account: LAD **Posted:** ✓

Confirmation #: 0031249034

Processed/Approved By:

Reason for Transfer:

_____ Loan

_____ Distribution to Member

_____ Investment of Capital by Member

_____ Repay Loan

✓ Other

Repay Visa charge for 2-YR LLC Report fees for 1920 8th St. Venture LLC

CONFIDENTIAL

LA 00001793

WMATA-INV 018010

FOIA CONFIDENTIAL TREATMENT REQUESTED

★ ★ ★ GOVERNMENT
[redacted] OF THE
[redacted] DISTRICT OF COLUMBIA

BRA 29 (REV 09/02)

Billing Voucher

Department of Consumer and Regulatory Affairs
Business and Professional License Administration
Corporation Division
941 North Capitol St. N.E.
Washington, D.C. 20002

DC TREASURER

Charge To:
1920 8TH STREET VENTURE LLC

Office Use Only

			3222
Charge For: **LLC - TWO-YEAR REPORT**	QTY: 1	$ 225.00	
	1	$	
	1	$	
	1	$	
Date **7/1/2008**	PAY THIS AMOUNT PAYABLE TO THE D.C. TREASURER	$ 225.00	Total

CONFIDENTIAL

LA 00001794

WMATA-INV 018011

Reset Form

Print Form

BRA-25 (10/96)

GOVERNMENT OF THE DISTRICT OF COLUMBIA

File Number_____

TWO-YEAR REPORT FOR FOREIGN AND DOMESTIC LIMITED LIABILITY COMPANIES (LLC)

DUE JUNE 16th 2008

Filing Fee$ _____

Penalty _____

Interest _____

Total $ 150

RETAIN A COPY FOR YOUR RECORDS

MAKE CHECK PAYABLE TO D.C. TREASURER
MAIL REPORT TO : DEPT. OF CONSUMER AND REGULATORY AFFAIRS
BUSINESS REGULATION ADMINISTRATION, CORPORATIONS DIVISION
P.O. BOX 92300, WASHINGTON, D.C. 20090

Indicate if LLC is (Check 1)

☐ Domestic

☒ Foreign

1. Name of Limited Liability Company

1920 8th Street Venture LLC

2. Organized under the laws of (insert District of Columbia, State or Country)

Delaware

3. Name of registered agent and address of registered office in the District of Columbia (Do not make change of agent or address on this form)

Robb M. LaKritz
4326 8th Street NW
Washington, DC 20011

4. Address, including street and number, if any, of principal executive offices (may be located in or outside of the District of Columbia).

4326 8th Street NW
Washington, DC 20011

ATTACH PAYMENT HERE

5. The name(s) and address(es), including street and number of the manager(s)

NAME ADDRESS

Robb M. LaKritz, 4326 8th Street NW, Washington, DC 20011
Joshua A. Adler, 2151 Florida Avenue NW, Washington, DC 20008

6. Name and address of authorized person executing this report.

NAME ADDRESS

Bradley M. Voight, VP-Fin/Acct, 4326 8th Street NW, Washington, DC 20011

By _____ (signature)
Authorized Person

FILING FEE:
Each Domestic and Foreign LLC pays a filing fee of $150.00

PENALTY:
Each Domestic and Foreign LLC pays a penalty of $75.00 if not filed by June 16.

A fee of $50.00 will be charged for dishonored checks

FILED
By _____

CONFIDENTIAL

LA 00001795

*** Slip Sheet ***

Document

Messages Help Security Logoff

OVERVIEW | ACCOUNTS | TRANSFERS | BILL PAYMENT | STATEMENTS | CUSTOMER SERVICE

Make Single Transfer | Make Repeating Transfer | Pending Transfers | Transfer History

Make Single Transfer

Your transfer has been sent.

From: 1920 8th Street LLC / $12,217.09
To: L-A Development LLC / $6,348.13
Amount: $225.00
Date: 07/01/2008

Your reference # is **0031249034**.

OK

For assistance, call BB&T OnLine Support at 1-888-BBT-ONLINE (1-888-228-6654).

CONFIDENTIAL LA 00001796

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 018014

*** Slip Sheet ***

Document

District of Columbia - 2-Year LLC R		
Company	2009	2010

Redacted

1920 Eighth LLC	Dissolved	Dissolved
1920 8th Street LLC	Not Due	DUE
1920 Eighth Street Venture LLC	Not Due	DUE

Redacted

District of Columbia - 2-Year LLC R		
Company	2009	2010

Redacted

*** Slip Sheet ***

Document

LaKritz Adler		Bank Accounts	
Bank	Account Name	Account Number	Balance 12/31/09

Redacted

CONFIDENTIAL

LA 00001799

LaKritz Adler		Bank Accounts	12.31.09 Stmt Reconciled
Bank	Account Name	Account Number	~~Balance 12/31/09~~

Redacted

BB&T	1920 8th Street LLC	5162-778-635	✓

Redacted

Subject: Lobbying update
Date: Wednesday, May 28, 2008 3:38 PM
From: Jim Link <jim@americancapitolgroup.com>
To: 'Jim Link' jim@americancapitolgroup.com, 'Crystal Wright' crystal@bakerwright.com, 'alakawilliams@w2tech.net' alakawilliams@w2tech.net, 'Byron Boothe' byron.boothe@intralot.us, 'Jay Lapine' jay.lapine@intralot.us, 'warrenwilliams@w2tech.net' warrenwilliams@w2tech.net, 'abolden@reedsmith.com' abolden@reedsmith.com
Conversation: Lobbying update
Priority: High

Good afternoon. Quick update...Crystal and I are meeting with Councilmember Jim Graham tomorrow at 11am. This will be our first meeting and also our most important meeting and we are going to get together tomorrow morning ahead of time to make sure we have all our facts straight and the message and discussion leads us to a point where he feels comfortable and he has ownership of the effort to obtain Council approval of the W2I contract.

As for others, we also have a meeting tomorrow at 4pm with Cheh (Ward 3). Kwame Brown told us that he is booked solid for the next three weeks. Catania is also too busy. I'll keep you posted on the others.

Jim

James E. Link
Partner

www.americancapitolgroup.com

Washington, DC

122 C Street, NW
Suite 500
Washington, DC 20001
Phone: (202) 628.3750
Fax: (202) 628.3770

CONFIDENTIALITY NOTICE:
This e-mail and any attachments contain information from the American Capitol Group, LLC, and are intended solely for the use of the named recipient or recipients. This e-mail may contain privileged client communications or work product. Any dissemination of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

From: Jim Link [mailto:jim@americancapitolgroup.com]
Sent: Friday, May 23, 2008 5:32 PM
To: 'Crystal Wright'; 'alakawilliams@w2tech.net'; 'Byron Boothe'; 'Jay Lapine'; 'warrenwilliams@w2tech.net'
Subject: RE: Revised materials

As an FYI...We have confirmation that all the scheduling requests for each member of the City Council have been received. We will be following up to schedule meetings for next week. We'll keep you posted.

Jim

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 018021

James E. Link
Partner

www.americancapitolgroup.com

Washington, DC

122 C Street, NW
Suite 500
Washington, DC 20001
Phone: (202) 628.3750
Fax: (202) 628.3770

CONFIDENTIALITY NOTICE:
This e-mail and any attachments contain information from the American Capitol Group, LLC, and are intended solely for the use of the named recipient or recipients. This e-mail may contain privileged client communications or work product. Any dissemination of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

From: Crystal Wright [mailto:crystal@bakerwright.com]
Sent: Friday, May 23, 2008 4:47 PM
To: alakawilliams@w2tech.net; 'Byron Boothe'; 'Jay Lapine'; warrenwilliams@w2tech.net
Cc: 'Jim Link'
Subject: Revised materials
Importance: High

All,

Please find attached the latest version of the FAQ and a new document Facts about the DC Lottery Bid. All of the information in the Fact Sheet is taken from the hearing transcript almost verbatim. It would be helpful if everyone could take the time over the next 3 days and closely review the material for accuracy. If you could use the track changes feature in Microsoft Word and make your edits onto the document it would be helpful to me.

Let me know which document may be better to leave with members following our lobby visits. I will ask Jim to weigh in on that as well. Remember, Jim and I can only be effective if we are armed with the facts, as we represent W2I.

Thanks,

Crystal

FOIA CONFIDENTIAL TREATMENT REQUESTED

Subject: Thank you
Date: Friday, May 30, 2008 1:51 PM
From: Jim Link <jim@americancapitolgroup.com>
To: 'jim@grahamwone.com' jim@grahamwone.com
Conversation: Thank you

Dear Councilmember Graham,

I wanted to let you know that I greatly enjoyed and appreciated meeting you yesterday and for the opportunity you gave the Williams' to engage with you in reconciliation.
I found the meeting to be productive and I look forward to discussing next steps. Please feel free to contact me any time...my cell phone is 202 744-9661.

Best regards,

Jim

James E. Link
Partner

www.americancapitolgroup.com

Washington, DC

122 C Street, NW
Suite 500
Washington, DC 20001
Phone: (202) 628.3750
Fax: (202) 628.3770

CONFIDENTIALITY NOTICE:
This e-mail and any attachments contain information from the American Capitol Group, LLC, and are intended solely for the use of the named recipient or recipients. This e-mail may contain privileged client communications or work product. Any dissemination of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 018023

Subject: RE: Graham
Date: Monday, June 2, 2008 6:53 PM
From: Jim Link <jim@americancapitolgroup.com>
To: 'Crystal Wright' <cryswright@hotmail.com>

I think stuff needs to get done and move through the system before we talk to Graham.

James E. Link
Partner

www.americancapitolgroup.com
Washington, DC
122 C Street, NW
Suite 500
Washington, DC 20001
Phone: (202) 628.3750
Fax: (202) 628.3770
CONFIDENTIALITY NOTICE:
This e-mail and any attachments contain information from the American Capitol Group, LLC, and are intended solely for the use of the named recipient or recipients. This e-mail may contain privileged client communications or work product. Any dissemination of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

-----Original Message-----
From: Crystal Wright [mailto:cryswright@hotmail.com]
Sent: Monday, June 02, 2008 6:53 PM
To: 'Jim Link'
Subject: FW: Graham

See below where the WMATA board will vote on this Thursday, so we may have to get back to Graham before that.

Also, they are trying to have a meeting with Jay and Byron late afternoon tomorrow at the Marriott say 5pm. Don't know yet.

-----Original Message-----
From: warrenwilliams@w2tech.net [mailto:warrenwilliams@w2tech.net]
Sent: Monday, June 02, 2008 5:46 PM
To: Crystal Wright
Cc: Alaka Williams W2; 'Jim Link'; A. Scott Bolden

Subject: Re: Graham

We should discuss with the councilmemeber, the fact that, even though I don't like it to prove to him that I'm "onboard" and "non-threatning" I would give him the wmata project.

The legal realities are that I can't do that. Banneker Ventures own 35% of the rights to develop the sites. Two other companies have much more to lose.
If we tried to drop out they would sue us. We've got six figures of expenses
as well as a six figure deposit being held by wmata.

Is this something Omar and I go in with Jim and Crystal to discuss with the
councilmember? Our wmata board meeting where this gets voted on is this thursday.

Advice?

Warren
Sent from my BlackBerry® wireless device

-----Original Message-----
From: "Crystal Wright" <cryswright@hotmail.com>

Date: Mon, 2 Jun 2008 14:05:50
To:"'Alaka Williams W2'" <alakawilliams@w2tech.net>,
<warrenwilliams@w2tech.net>, "'Jay Lapine'" <Jay.Lapine@intralot.us>,
"'Byron Boothe'" <Byron.Boothe@intralot.us>
Cc:"'Jim Link'" <jim@americancapitolgroup.com>, "'A. Scott Bolden'"
<ABolden@ReedSmith.com>
Subject: Graham

Jim said that Graham emailed him back thanking him also and say "Do you think they will do anything?"

It is pretty clear he wants us to come back with something. . .

Crystal Wright
Public Relations Strategist
Baker Wright Group, LLC
5853 Nebraska Ave., NW
Washington, DC 20015
w: 202/829-0848
c: 202/549-8072
www.bakerwright.com

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 018025

Subject: FW:
Date: Wednesday, June 11, 2008 10:29 AM
From: Jim Link <jim@americancapitolgroup.com>
To: 'Crystal Wright' <cryswright@hotmail.com>

FYI below from Warren.

James E. Link
Partner

www.americancapitolgroup.com
Washington, DC
122 C Street, NW
Suite 500
Washington, DC 20001
Phone: (202) 628.3750
Fax: (202) 628.3770
CONFIDENTIALITY NOTICE:
This e-mail and any attachments contain information from the American Capitol Group, LLC, and are intended solely for the use of the named recipient or recipients. This e-mail may contain privileged client communications or work product. Any dissemination of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

-----Original Message-----
From: warrenwilliams@w2tech.net [mailto:warrenwilliams@w2tech.net]
Sent: Wednesday, June 11, 2008 10:34 AM
To: 'Jim Link'
Cc: Byron Boothe; Alaka Williams W2; Jay Lapine; A. Scott Bolden
Subject: Re:

Fantastic!
Sent from my BlackBerry® wireless device

-----Original Message-----
From: "Jim Link" <jim@americancapitolgroup.com>

Date: Wed, 11 Jun 2008 10:28:19
To:"'Jay Lapine'" <Jay.Lapine@intralot.us>, "'Byron Boothe'" <Byron.Boothe@intralot.us>
Cc:<warrenwilliams@w2tech.net>, "'Alaka Williams W2'" <alakawilliams@w2tech.net>, "'Crystal Wright'"

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 018026

<cryswright@hotmail.com>, "'Bolden, A. Scott'"
<ABolden@ReedSmith.com>
Subject:

Sample email, please review:

"Dear Councilmember Graham,

We looked into the questions you asked. As you know, Warren Williams spoke emphatically that he had absolutely no involvement in paying for, producing or promoting the racist posters that were painted of you. Warren spoke with his father who said he did not know about or pay for the posters. While he couldn't speak for his partner Paul who is deceased, no one believes he would have paid for them either.

Warren also spoke with Sinclair Skinner who denied putting the posters up or paying for them to be produced. He did have a newspaper at one time that he was the editor of called the Georgia Ave. Defender and does remember his editorials that were critical of you and which spoke about gentrification, but that was the extent of his actions.

The Williams family confirmed with me again that no family member ever made a contribution to the campaign of Chad Williams, who challenged your seat.

I realize that you have had doubts about these matters, but these are the answers which I have received and those who have been asked these questions stand by what they say emphatically.

As for Metro, there are a number of factors that make it impossible for us to even consider accommodating your request.

Please let me know if you have any questions.

Thanks,

Jim"

James E. Link
Partner

www.americancapitolgroup.com
Washington, DC

122 C Street, NW

Suite 500

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 018027

Washington, DC 20001

Phone: (202) 628.3750

Fax: (202) 628.3770
CONFIDENTIALITY NOTICE:
This e-mail and any attachments contain information from the American Capitol Group, LLC, and are intended solely for the use of the named recipient or recipients. This e-mail may contain privileged client communications or work product. Any dissemination of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 018028

Subject: RE:
Date: Wednesday, June 11, 2008 12:35 PM
From: Jim Link <jim@americancapitolgroup.com>
To: 'Jay Lapine' <jay.lapine@intralot.us>, 'Crystal Wright' <cryswright@hotmail.com>
Cc: "'warrenwilliams@w2tech.net'" <warrenwilliams@w2tech.net>, 'Alaka Williams W2' <alakawilliams@w2tech.net>, "'Bolden, A. Scott'" <abolden@reedsmith.com>, 'Byron Boothe' <byron.boothe@intralot.us>

Done. Sent.

James E. Link
Partner

www.americancapitolgroup.com
Washington, DC
122 C Street, NW
Suite 500
Washington, DC 20001
Phone: (202) 628.3750
Fax: (202) 628.3770
CONFIDENTIALITY NOTICE:
This e-mail and any attachments contain information from the American Capitol Group, LLC, and are intended solely for the use of the named recipient or recipients. This e-mail may contain privileged client communications or work product. Any dissemination of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

-----Original Message-----
From: Jay Lapine [mailto:Jay.Lapine@intralot.us]
Sent: Wednesday, June 11, 2008 12:02 PM
To: Jim Link; 'Jay Lapine'; 'Crystal Wright'
Cc: warrenwilliams@w2tech.net; 'Alaka Williams W2'; 'Bolden, A. Scott'; 'Byron Boothe'
Subject: RE:

Jim
This is great-perfect. If Crystal is ok I think we use it.
Also, I completely agree with you about JG but it is important that we make the record not him and with this addition you have doe so beautifully. Thanks so much

Best Regards,
Jay

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 018029

Jay M. Lapine, Esq.
VP & General Counsel
Intralot, Inc.
11360 Technology Circle
Duluth GA 30097
770.295.2449

This e-mail message and any attached files are confidential and are intended solely for the use of the addressee(s) named above. This communication may contain material protected by attorney-client, work product, or other privileges. If you are not the intended recipient, any review, use, dissemination, forwarding, printing, copying, or other distribution of this e-mail message and any attached files is strictly prohibited. If you have received this confidential communication in error, please notify the sender immediately by reply e-mail message and permanently delete the original message.

..

-----Original Message-----
From: Jim Link <jim@americancapitolgroup.com>
Sent: Wednesday, June 11, 2008 11:49 AM
To: 'Jay Lapine' <Jay.Lapine@intralot.us>; 'Crystal Wright' <cryswright@hotmail.com>
Cc: warrenwilliams@w2tech.net <warrenwilliams@w2tech.net>; 'Alaka Williams W2' <alakawilliams@w2tech.net>; 'Bolden, A. Scott' <ABolden@ReedSmith.com>; 'Byron Boothe' <Byron.Boothe@intralot.us>
Subject: RE:

Yes, but Graham is perhaps the biggest conspiracy theorist I have ever come
across and will pin this on us regardless.

If we add such language, let me know what you think of the following.."I wanted you to also be aware that our communications person, Crystal Wright,
received a call from a reporter from the DC Examiner who was asking questions about our meeting and seemed to know a great deal about what was said. Since I don't talk to reporters, I would suggest that you contact Crystal directly if you would like to know more about this. Please know that no one from our team contacted the media as it would not be in our interest or your interest to publicize what was discussed."

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 018030

James E. Link

Partner

<http://www.larsonstewart.com/> www.americancapitolgroup.com

Washington, DC

122 C Street, NW

Suite 500

Washington, DC 20001

Phone: (202) 628.3750

Fax: (202) 628.3770

CONFIDENTIALITY NOTICE:
This e-mail and any attachments contain information from the American Capitol Group, LLC, and are intended solely for the use of the named recipient or recipients. This e-mail may contain privileged client communications or work product. Any dissemination of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of
the e-mail or attachments.

From: Jay Lapine [mailto:Jay.Lapine@intralot.us]
Sent: Wednesday, June 11, 2008 11:20 AM
To: Crystal Wright; Jim Link

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 018031

Cc: warrenwilliams@w2tech.net; Alaka Williams W2; Bolden, A. Scott; Byron Boothe
Subject: RE:

I really like the way you have put this together. I do however, concur in the opinion of my wise co-counsel. You guys are so good with the right words
couldn't we persuade you to do your magic once again to make the record we need but be subtle about it-Please

Best Regards,
Jay

Jay M. Lapine, Esq.
Vice President & General Counsel
Intralot, Inc.
11360 Technology Circle
Duluth GA 30097
770.295.2449
jay.lapine@intralot.us

This e-mail message and any attached files are confidential and are intended
solely for the use of the addressee(s) named above. This communication may contain material protected by attorney-client, work product, or other privileges. If you are not the intended recipient, any review, use, dissemination, forwarding, printing, copying, or other distribution of this
e-mail message and any attached files is strictly prohibited. If you have received this confidential communication in error, please notify the sender
immediately by reply e-mail message and permanently delete the original message.

From: Crystal Wright [mailto:cryswright@hotmail.com]
Sent: Wednesday, June 11, 2008 11:10 AM
To: 'Jim Link'; Jay Lapine; Byron Boothe
Cc: warrenwilliams@w2tech.net; 'Alaka Williams W2'; 'Bolden, A. Scott'
Subject: RE:

This looks fine to me. I don't know what Scott and Jay think?

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 018032

Crystal

From: Jim Link [mailto:jim@americancapitolgroup.com]
Sent: Wednesday, June 11, 2008 10:28 AM
To: 'Jay Lapine'; 'Byron Boothe'
Cc: warrenwilliams@w2tech.net; 'Alaka Williams W2'; 'Crystal Wright'; 'Bolden, A. Scott'
Subject:

Sample email, please review:

"Dear Councilmember Graham,

We looked into the questions you asked. As you know, Warren Williams spoke emphatically that he had absolutely no involvement in paying for, producing or promoting the racist posters that were painted of you. Warren spoke with his father who said he did not know about or pay for the posters. While he couldn't speak for his partner Paul who is deceased, no one believes he would have paid for them either.

Warren also spoke with Sinclair Skinner who denied putting the posters up or paying for them to be produced. He did have a newspaper at one time that he was the editor of called the Georgia Ave. Defender and does remember his editorials that were critical of you and which spoke about gentrification, but that was the extent of his actions.

The Williams family confirmed with me again that no family member ever made a contribution to the campaign of Chad Williams, who challenged your seat.

I realize that you have had doubts about these matters, but these are the answers which I have received and those who have been asked these

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 018033

questions
stand by what they say emphatically.

As for Metro, there are a number of factors that make it impossible for us to even consider accommodating your request.

Please let me know if you have any questions.

Thanks,

Jim"

James E. Link

Partner

<http://www.larsonstewart.com/> www.americancapitolgroup.com

Washington, DC

122 C Street, NW

Suite 500

Washington, DC 20001

Phone: (202) 628.3750

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 018034

Fax: (202) 628.3770

CONFIDENTIALITY NOTICE:
This e-mail and any attachments contain information from the American Capitol Group, LLC, and are intended solely for the use of the named recipient or recipients. This e-mail may contain privileged client communications or work product. Any dissemination of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of
the e-mail or attachments.

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 018035

Subject: FW: Thank you
Date: Wednesday, June 11, 2008 2:30 PM
From: Jim Link <jim@americancapitolgroup.com>
To: 'warrenwilliams@w2tech.net' warrenwilliams@w2tech.net, 'Alaka Williams W2' alakawilliams@w2tech.net, 'Byron Boothe' byron.boothe@intralot.us, 'Jay Lapine' jay.lapine@intralot.us, 'Bolden, A. Scott' abolden@reedsmith.com, 'Crystal Wright' cryswright@hotmail.com
Conversation: Thank you

FYI...

James E. Link
Partner

www.americancapitolgroup.com

Washington, DC

122 C Street, NW
Suite 500
Washington, DC 20001
Phone: (202) 628.3750
Fax: (202) 628.3770

CONFIDENTIALITY NOTICE:
This e-mail and any attachments contain information from the American Capitol Group, LLC, and are intended solely for the use of the named recipient or recipients. This e-mail may contain privileged client communications or work product. Any dissemination of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

From: Jim Graham [mailto:Jim@grahamwone.com]
Sent: Wednesday, June 11, 2008 2:26 PM
To: Jim Link
Subject: RE: Thank you

Sinclair was observed putting the posters up.

I would rather not continue this on email.

I will check on the examiner. I know I did not speak to them.

The rejection of your application at Metro (which has not been approved) is necessitated not by any of this but by other factors relating to the application.

I typically answer emails before 9 AM on weekdays. If you email me

after that, it is likely that you will hear from me the next weekday. If there is a need to communicate prior to that, you may wish to call me.

Jim Graham, Councilmember, Ward One, 1350 Pa. Ave., NW, #105, Washington, DC 20004. 202-724-8181; 202-724-8109 (fax).

Chairman, Committee on Public Works and the Environment (including alcohol regulation). Main Committee Number: 202-724-8195. 1350 Pa. Ave., NW, #116, Washington, DC 20004.

Voting member, Board of Directors, WMATA/Metro.

Website: www.grahamwone.com

From: Jim Link [mailto:jim@americancapitolgroup.com]
Sent: Wednesday, June 11, 2008 12:31 PM
To: Jim Graham
Subject: RE: Thank you

Councilmember Graham,

I know you are out of town, but hopefully you are checking email...

We looked into the questions you asked. As you know, Warren Williams spoke emphatically that he had absolutely no involvement in paying for, producing or promoting the racist posters that were painted of you. Warren spoke with his father who said he did not know about or pay for the posters. While he couldn't speak for his partner Paul who is deceased, no one believes he would have paid for them either.

Warren also spoke with Sinclair Skinner who denied putting the posters up or paying for them to be produced. He did have a newspaper at one time that he was the editor of called the Georgia Ave. Defender and does remember his editorials that were critical of you and which spoke about gentrification, but that was the extent of his actions.

The Williams family confirmed with me again that no family member ever made a contribution to the campaign of Chad Williams, who challenged your seat.

I realize that you have had doubts about these matters, but these are the answers which I have received and those who have been asked these questions stand by what they say emphatically.

As for Metro, there are a number of factors that make it impossible for us to even consider accommodating your request.

I wanted you to also be aware that our communications person, Crystal Wright, received a call from a reporter from the DC Examiner who was asking questions about our meeting and seemed to know a great deal about what was said. Since I don't talk to reporters, I would suggest that you contact Crystal directly if you would like to know more about this. Please know that no one from our team contacted the media as it would not be in our interest or your interest to publicize what was discussed.

Please let me know if you have any questions.

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 018037

Thanks,

Jim

James E. Link
Partner

www.americancapitolgroup.com

Washington, DC

122 C Street, NW
Suite 500
Washington, DC 20001
Phone: (202) 628.3750
Fax: (202) 628.3770

CONFIDENTIALITY NOTICE:
This e-mail and any attachments contain information from the American Capitol Group, LLC, and are intended solely for the use of the named recipient or recipients. This e-mail may contain privileged client communications or work product. Any dissemination of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

From: Jim Graham [mailto:Jim@grahamwone.com]
Sent: Tuesday, June 03, 2008 7:54 AM
To: Jim Link
Subject: RE: Thank you

I will be gone from the 6th to the 16th,....but I am sure nothing will happen during that time.

I typically answer emails before 9 AM on weekdays. If you email me after that, it is likely that you will hear from me the next weekday. If there is a need to communicate prior to that, you may wish to call me.

Jim Graham, Councilmember, Ward One, 1350 Pa. Ave., NW, #105, Washington, DC 20004. 202-724-8181; 202-724-8109 (fax).

Chairman, Committee on Public Works and the Environment (including alcohol regulation). Main Committee Number: 202-724-8195. 1350 Pa. Ave., NW, #116, Washington, DC 20004.

Voting member, Board of Directors, WMATA/Metro.

Website: www.grahamwone.com

FOIA CONFIDENTIAL TREATMENT REQUESTED WMATA-INV 018038

From: Jim Link [mailto:jim@americancapitolgroup.com]
Sent: Monday, June 02, 2008 2:56 PM
To: Jim Graham
Subject: RE: Thank you

Yes. Wheels are in motion. Everyone took your concerns seriously. I would like to discuss with you and/or Calvin at a time convenient for you. Thanks much.

Jim

James E. Link
Partner

www.americancapitolgroup.com

Washington, DC

122 C Street, NW
Suite 500
Washington, DC 20001
Phone: (202) 628.3750
Fax: (202) 628.3770

CONFIDENTIALITY NOTICE:
This e-mail and any attachments contain information from the American Capitol Group, LLC, and are intended solely for the use of the named recipient or recipients. This e-mail may contain privileged client communications or work product. Any dissemination of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

From: Jim Graham [mailto:Jim@grahamwone.com]
Sent: Monday, June 02, 2008 8:12 AM
To: Jim Link
Subject: RE: Thank you

Thanks. Do you think they will do anything?

I typically answer emails before 9 AM on weekdays. If you email me after that, it is likely that you will hear from me the next weekday. If there is a need to communicate prior to that, you may wish to call me.

Jim Graham, Councilmember, Ward One, 1350 Pa. Ave., NW, #105, Washington, DC 20004. 202-724-8181; 202-724-8109 (fax).

FOIA CONFIDENTIAL TREATMENT REQUESTED **WMATA-INV 018039**

Chairman, Committee on Public Works and the Environment (including alcohol regulation). Main Committee Number: 202-724-8195. 1350 Pa. Ave., NW, #116, Washington, DC 20004.

Voting member, Board of Directors, WMATA/Metro.

Website: www.grahamwone.com

From: Jim Link [mailto:jim@americancapitolgroup.com]
Sent: Friday, May 30, 2008 1:59 PM
To: Jim Graham
Subject: Thank you

Dear Councilmember Graham,

I wanted to let you know that I greatly enjoyed and appreciated meeting you yesterday and for the opportunity you gave the Williams' to engage with you in reconciliation.
I found the meeting to be productive and I look forward to discussing next steps. Please feel free to contact me any time...my cell phone is 202 744-9661.

Best regards,

Jim

James E. Link
Partner

www.americancapitolgroup.com

Washington, DC

122 C Street, NW
Suite 500
Washington, DC 20001
Phone: (202) 628.3750
Fax: (202) 628.3770

CONFIDENTIALITY NOTICE:
This e-mail and any attachments contain information from the American Capitol Group, LLC, and are intended solely for the use of the named recipient or recipients. This e-mail may contain privileged client communications or work product. Any dissemination of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you are prohibited from any further viewing of the e-mail or any attachments or from making any use of the e-mail or attachments. If you believe you have received this e-mail in error, notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.

FOIA CONFIDENTIAL TREATMENT REQUESTED **WMATA-INV 018040**

COMMUNICATIONS RELATED TO INDEPENDENT INVESTIGATION OF CERTAIN DECISIONS TO DEVELOP WMATA-OWNED PROPERTY LOCATED ON THE 700 AND 800 BLOCKS OF FLORIDA AVENUE, NW, WASHINGTON, DC

INDEX OF CERTAIN KEY COMMUNICATIONS

November 10, 2007 – Email from Josh Kern re meeting with Jim Graham (Graham).

November 14, 2007 – Email from Chris Donatelli (Donatelli) indicating that Graham just cancelled our meeting with him.

December 4, 2007 – Email from Donatelli indicating that he will not be able to make team meeting.

December 6, 2007 – Email from Omar A. Karim (Karim) informing team that we have been invited to interview with WMATA staff on December 17, 2007. We are one of two or three teams to be invited (including LaKritz-Adler).

December 16, 2007, 1:22pm – Email from Warren Williams (Williams) asking "Has Chris [Donatelli] confirmed that us dropping out will get Graham's support?" Graham told Donatelli to drop out of the project that weekend in order to reduce competition for the Florida Avenue site. Is this Bid Rigging 101?

December 16, 2007, 3:46pm – Email from Josh Kern (Kern) stating that our team (Banneker, Donatelli and DDG) should still present to WMATA staff on December 17, 2007 and that during the presentation, team would request that Banneker withdraw and allow Donatelli to assume role as managing member. Josh Kern recommends that we reach out to Graham to let him know our plans.

April 23, 2008 – Letter from Karim to Rosalyn Doggett (Doggett) of WMATA addressing concerns that have been brought to her attention by Graham about the selection of Banneker as the lead developer of the Shaw-Howard Florida Avenue Joint Development site.

April 24, 2008 – Banneker's Term Sheet with WMATA was to be approved at meeting of WMATA Board's Planning, Development and Real Estate Committee (Committee). Committee instead voted to convene to Executive Session. Session lasted an hour. What occurred during this time? When Committee reconvened, Mr. Graham moved that "this matter be deferred for a period of not less than 60 days". Why did he do this?

May 9, 2008 – Email to Joel Washington (Washington), Director of Station Area Planning and Asset Management for WMATA, after Joel called Karim and informed him that Graham wanted him to have Banneker address alleged financial obligations to the District of Columbia by Williams.

June 3, 2008 – Draft Agenda of the Planning, Development and Real Estate Committee as of June 3, 2008 showing that the Florida Avenue Developer Selection was on the agenda. Who put it there? Why was in on the agenda under Executive Session? Why was it removed from the Agenda? Who removed it?

June 12, 2008 – Copy of Final June 12, 2008 agenda of the Planning, Development and Real Estate Committee with the Florida Avenue Developer selection removed.

June 16, 2008 – Email correspondence between Williams and Reed Smith LLP re WMATA and District procurement regulations and criminal statutes related to Graham's offer to Williams a few weeks previously to drop out of the Metro deal in exchange for Graham's support on the lottery contract that Williams had just won from the District.

June 17, 2008 – Contemporaneous notes written by Karim during call with Josh Adler (Adler) detailing his conversation with Adler that "word that [Josh] is getting is that they are waiting until we work out something before they approve our deal." According to Karim's notes, Adler then goes on to spell out his current lease arrangement with the owner of the adjacent parcel so that Karim could consider either giving Adler money for his lease-rights to the parcel or bring Adler into the WMATA deal.

June 17, 2008, 3:42pm – Two page, detailed email proposal from Adler labeled "CONFIDENTIAL: 1920 8th Street Ground Lease" and PERSONAL AND CONFIDENTIAL" stating "Following up on our telephone conversation today," Adler wants to transfer its ground lease and purchase option for inclusion in the "WMATA parcels". Last paragraph of email states that he "would appreciate your feedback on the proposed arrangement by the end of this week." Adler wanted Karim's agreement because the WMATA Board was to consider Banneker's selection in nine days (June 26, 2008). Graham was holding up the approval until Banneker cut a deal with Adler. Bid rigging?

June 24, 2008 – Email from Adler pressing Karim on a deal. This is 2 days before the June 26, 2008 Board meeting.

June 25, 2008 – Internal emails from Graham and WMATA staff at request of Graham for some proposed language dealing with Banneker's selection. Staff clearly didn't want to be involved in Graham's actions. Instead, WMATA staff was proposing a basic resolution where the Board would approve the "selection of, and term sheet with the Banneker Ventures LLC development team". In contrast, Graham wanted to spell out roles. Why? When the Staff indicated that "I don't think we could go as far as to specify roles for team members in the resolution language", because WMATA wanted to "keep flexibility to substitute a new team member with equal expertise", Graham insisted and stated that he "want[s] to be very specific."

June 26, 2008 – Article in Washington Business Journal announcing that Metro picks Banneker to develop Florida Avenue site. Graham is trying to taint Banneker and throw it under the proverbial "Metro bus" by telling the media that Banneker offered too much for the site. In

fact, this is furthest from the truth. And when WMATA sold the land to JBG in 2011, it was for essentially the same price that Banneker initially offered WMATA.

July 15, 2008 – Email from Adler revising its initial offer dated June 17, 2008.

September 19, 2008 – Email from Kern about an article that appeared in the WBJ indicating that a U Street improvement district was planned. Response email from Karim later in the day states that Graham mentioned the BID when Karim and Graham met a few weeks before and that Graham tried to get Karim to join to BID and told him that "it would cost about the price of a table at one of these events". Karim said that he couldn't commit although he thought it would only be $1k. Instead, the cost would be $40k per year for Banneker. Was Graham trying to extort $40k per year from Banneker for his U Street BID initiative in exchange for his support to move the Term Sheet to JDA and Lease approval?

December 22, 2008 – Email from Nat Bottigheimer (Bottigheimer), Assistant General Manager of WMATA, stating that he will "proceed immediately to prepare materials seeking Board authorization for $500,000 in TIFF funds . . . related to the View 14 project". Graham was helping other developers who were making donations to him and his campaigns while killing Banneker's deal. When Banneker requested a TIFF from WMATA, the staff said no.

February 26, 2009 – Board Action Item III-A which included a letter from Graham dated July 29, 2008 to John Catoe, Jr., GM of WMATA, requesting that WMATA consider View 14, a project developed by Level 2 Development (and a major donor to Graham) as a candidate for funding from the Transit Infrastructure Investment Fund (TIFF). Did Graham tell anyone at WMATA that all of the owners of Level 2 were major financial contributors to his campaigns? Isn't this a conflict?

March 16, 2009 – Email from Doggett to Karim indicating that "I received some direction over the weekend". Who did she receive direction from? What was this direction?

July 8, 2009 – July 19, 2009 – Email traffic from Banneker and WMATA where Banneker requests that the agreement between Banneker and WMATA be memorialized in a formal way and a timetable for agreeing to a final resolution on all issues in the JDA and lease.

July 24, 2009 – Email from Josh Montague, WMATA's Assistant General Counsel, which included updated drafts of the Lease and Joint Development Agreement. Why wasn't the Lease and JDA ever presented to the Board for approval? Answer: Because Graham never intended for it to be considered by the Board.

September 10, 2009 – Article in WBJ where Graham is quoted saying that "I know that the developer is dealing with a recovering real estate market, but we either have to move forward now, or take another look at who will do this job." Is Graham referring to LaKritz-Adler? As for financing, Banneker always had financing. The article even indicated that the project was selected to receive 9% low income housing tax credits (LIHTCs). Banneker had tax credits, tax

increment financing, a 220d loan and a range of institutional corporate equity. Additionally, neither Banneker nor WMATA staff ever request an extension of our negotiation period. Not one single time in two years. We were always ready to move forward. Graham refused to have either a Revised Term Sheet (which he forced us to have with WMATA b/c of his affordable housing requirements), Lease or JDA to be considered by the Board. Graham continued to move the goal post for over 2 years and more than 10 Board meetings until he was able to get it tabled.

September 9, 2009 – Subsequent Agendas of Planning, Development and Real Estate Committee where the Revised Term Sheet, JDA and Lease was included as agenda item for approval. This is the first time that this was on the agenda. Why wasn't it approved? Because Graham changed the deal from sale back to a lease on October 22, 2009 at a lunch with Karim at Busboys and Poets on 14th and W Street, NW.

October 9, 2009 – Email from Yohance Fuller, Neil Albert's Project Manager, to Carol O'Keefe asking why she had issues with a fee simple (sale) transaction of the Florida Avenue parcels.

October 22, 2009, 3:08pm – Email from Steve Goldin indicting that "per direction from our Board" (this is Graham), WMATA is now proceeding with preparing a term sheet for the lease of the property" and that "the action is to be taken up by the full Board in a special meeting in two weeks." One hour earlier, Graham and Karim had lunch at Busboys and Poets where Graham told Karim that "he shouldn't have bid on the project", that he "wasn't going to support a sale of the property", that Karim could "find another development partner" who would be okay with a lease (presumably LaKritz again). Why was Graham so involved in the details of this project? Graham then gave Karim John Catoe's, WMATA's General Manager, cell # and Karim called Catoe several times that afternoon to tell him what Karim and Graham had agreed to and discuss a timeline for moving forward. Catoe told Karim that "whatever Graham said I'm okay with."

November 4, 2009 – Email from Fuller confirming that WMATA staff is prepared to recommend approval of the terms sheet during a special committee meeting held the following day.

November 5, 2009 – Minutes of November 5, 2009 Planning, Development and Real Estate Committee deferring approval of term sheet.

November 6, 2009 – Memo prepared by Nat Bottigheimer, WMATA Assistant General Manager, at request of Board providing "supplementary information" regarding the value of the Florida Avenue parcels. Memo states that Metro would receive between $3,030,000 - $4,280,000 from Banneker and that the land appraised value is $2,200,000 - $3,450,000. It further states that "capital event participation is expected to generate revenues to Metro nine times over the life of the 99-year lease for an estimated total of about $14,000,000 in current years dollars." This is more than what JBG ultimately paid for the parcels.

November 25, 2009 – Another memo prepared by Nat indicating that the Board at the Nov 19th Board meeting requested that Banneker and the Staff answer additional questions about the terms of the deal. Nat's memo in the summary section once again states that "I recommend this item be returned to the Planning, Development, and Real Estate Committee for consideration at the earliest possible date." Why did the Board continue to delay approval?

November 30, 2009 – CONFIDENTIAL Memorandum from O'Keefe to Catoe and the Board members stating that the Board (is this Board or Graham?) asked her to review the Joint Development Solicitation to determine whether Metro could request a Best and Final Offer from the three final proposers (this includes LaKritz!). Her summary is that they have to let negotiation period expire.

March 16, 2010 – Email from Karim to Doggett accepting terms from WMATA. Deal is 99% complete.

March 9, 2010 – Email from Josh Montague, Assistant General Manager, stating that he's hoping to provide updated Term Sheet by COB but that he's waiting for "principals to approve." What principals are he referring to?

March 18, 2010 – Email traffic between Steve Goldin and Omar A. Karim where Karim and Goldin talk about a briefing by WMATA staff to Graham. Why did Graham have a briefing? Is this normal? Spells out what Karim and Graham discussed and agreed to at October 22, 2009 lunch at Busboys and Poets.

March 24, 2010 – Email from Jenny Gomez in Secretary of Board's office which included a copy of an agenda where Banneker was included on the March 25, 2010 Meeting of the Board under the Joint Development and Real Estate Committee, which Graham was now chair of! Why was action under Executive Session?

March 25, 2010 – Final agenda of Committee where Florida Avenue deal was taken off

March 25, 2010 – Florida Avenue deal was put on Agenda of Executive Session under Legal Matters. Why?

July 21, 2011 – Approval of Sale of Property at Congress Heights Station. Evidence that WMATA sold parcels and that Carol O'Keefe's and Jim Graham's statement in the April 2010 letter to Reed Smith about WMATA preferring to lease parcels was a lie.

January 26, 2012 – Disposition of 11507 Georgia Avenue property. Further evidence that WMATA sold their parcels and not leased them. If someone looked into it, I would be that WMATA sold 90% of all joint development deals.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Office of Integrity and Oversight

DRAFT

REPORT OF INVESTIGATION

TO: The File

FROM: Robert G. Andary, Executive Director
Office of Integrity and Oversight

DATE: July 29, 2008

SUBJECT: Report of Investigation 2008-0154

This investigation was undertaken as a result of an allegation by D.C. Councilmember Jim Graham regarding Office of the Chief Financial Officer (OCFO) Contracting Officer Eric Payne. The investigation was conducted from June 26, 2008, through July 24, 2008, and consisted of interviews of persons having knowledge of the circumstances that gave rise to Councilmember Graham's allegation. The investigation did not implicate Mr. Payne in any impropriety and exonerated him of the allegations made by Councilmember Graham. Moreover, the investigation revealed how highly politicized the Lottery contract has become, and revealed inappropriate actions by Mr. Graham with respect to the Council's consideration of the Lottery contract. Accordingly, this investigation is now closed without further action.

The allegation against Eric Payne

I met with Mr. Graham on June 26, 2008. Mr. Graham stated that he wished not to be identified as the source of this information. He was assured that the information would not be attributed to him. Graham told me that he had mentioned to Payne that if Payne wanted any information about how the Lottery operated in the 1980's, Payne should talk to Dottie Wade, who was on the Lottery Board in the 1980's. Graham has known Wade for ten years. Wade is semi-retired now and serves as the Chair of ANC 1A in Graham's Ward. The next day, which would be April 10, 2008, according to the timing described by Councilmember Jim Graham, Wade just dropped by Graham's office. Wade was alone and told Graham that the Greek Company (Intralot) was at the Marriott hotel at that moment and they would come over to see Graham and bring Dottie into the deal. The implication by Wade was that a condition to bringing Dottie into the deal was that Graham would have to support Intralot in their bid for the Lottery contract.

Graham simply looked at Wade with astonishment and told Wade that that it would not be a consideration for Graham in considering the Lottery contract matter and that she shouldn't anticipate any reaction from Graham.

Graham assumed that Payne must have taken Graham's suggestion about Wade as meaning that she should somehow be included in the deal. The timing of Wade's contact with Graham coming the day after Graham's hallway conversation with Payne is what led Graham to believe this. Graham does not believe the timing was a coincidence. Graham was not happy with the contact from Wade, and called Dr. Gandhi to complain about Payne. This investigation resulted from that contact between Graham and Dr. Gandhi.

The investigation

As part of this investigation I interviewed Councilmember Graham, Eric Payne, Associate General Counsel Cynthia Gross (OCFO), Dottie Love Wade, and Alaka Williams. I also reviewed copies of emails provided by Alaka Williams' attorney, A. Scott Bolden. Copies of these interviews are attached to this report.

Investigative Findings

1. Mr. Graham was not candid in his description of his conversation with Eric Payne in which Graham suggested that Payne contact Dottie Love. According to Graham, he mentioned to Payne that if Payne wanted any information about how the Lottery operated in the 1980's, Payne should talk to Dottie Wade, who was on the Lottery Board in the 1980's. However, according to Eric Payne, after a Council hearing in which Graham was critical of W2I, Payne approached Councilmember Jim Graham and introduced himself as the contracting officer and asked Councilmember Jim Graham to tell Payne what issues or questions Graham might have about the Lottery contract. Councilmember Jim Graham told Payne he should call Dottie Love Wade, and she will tell Payne what the issues are regarding W2I. Payne asked Graham if there was anything specific, and Graham encouraged Payne to call saying that Wade had information about W2I's ability to manage the Lottery contract. Graham told Payne that Wade was a former Lottery Director and that Wade had worked with Warren Williams Sr. and had concerns about W2I's ability to fulfill the terms of the contract.

Payne's account was corroborated by Associate General Counsel Cynthia Gross, who also attended the hearing, and joined Payne afterwards as Payne spoke with Graham. According Ms. Gross, Payne told Graham that Payne would be happy to have any information Graham had about W2I. Payne asked him for anything Graham wanted to relay to the OCFO, and asked him to share the information Graham had mentioned during the hearing. Graham gave Payne a business card or a contact name or number of some woman who had made allegations against the successful bidder for the lottery contract. Graham told Payne to call the woman, that the woman can tell him anything she knows about W2I, including that the company doesn't have enough years of experience with lotteries, and that they are not who they claim to be. Payne told Graham that he would follow-up on it.

Therefore, it appears that Graham did not reveal to me that his suggestion to Eric Payne to call Ms. Wade was motivated by Graham's opposition to the W2I contract award. Graham seems not to want to appear to be involved in behind-the-scenes efforts to derail the contract award to W2I,

when in fact Graham is using the controversy to promote his own political agenda (see finding 3 below). This also suggests a motive for Graham asking for confidentiality in the matter. Although Graham already discussed the matter with Dr. Gandhi, Graham now wants to act behind the scenes to bring additional pressure on those responsible for the lottery contract award.

2. The investigation did not reveal that Payne played any role in the meeting between Wade and W2I. Graham's allegation against Payne was based on speculation and was not supported by the facts. When Graham was interviewed, Graham told us he assumed that Payne must have taken Graham's suggestion about Wade as meaning that she should somehow be included in the deal. The timing of Wade's contact with Graham coming the day after Graham's hallway conversation with Payne is what led Graham to believe this. Graham did not believe the timing was a coincidence. Graham was not happy with the contact from Wade, and called Dr. Gandhi to complain about Payne. Graham had no further conversation with either Wade or Payne about this matter. One must question Graham's motives in complaining to the head of Payne's agency based solely on an assumption that was based solely on a coincidence in timing.

Eric Payne was interviewed and told me that he did not believe Graham was suggesting to Payne that Payne get a job for Wade with W2I when Graham initially recommended that Payne call Wade. Payne only found out about Williams and Wade discussing a job when Graham made his complaint against Payne. Payne immediately called Alaka Williams and asked if it was true, then met with Williams and told her it was inappropriate to be having conversations with people such as Wade without having a contract in place. Payne told Williams that all such discussions should cease because they could be viewed as improper. Payne was angry at Williams for having the contact with Wade.

Dottie Love Wade was interviewed and she told me that when Payne initially called her he never mentioned any future meeting between Wade and W2I. Their entire conversation involved Payne trying to determine what her objections to W2I as the Lottery contractor were. The meeting with W2I was arranged by an individual named Cornell Jones, a mutual friend of Wade's and the Williams. Wade supported Payne's version of their telephone conversation.

Alaka Williams was interviewed and told me that she did not know how her first meeting with Dottie Wade was arranged, but that the first contact the Williams had about Wade was from Cornell Jones who called Warren Williams Jr. and suggested that he meet with Wade. Alaka Williams said that Wade told her that it was Payne who first told Wade about the new Lottery contract, but Williams did not think Wade meant that Payne had put Wade onto W2I.

Finally, the alleged coincidence in timing between Graham's suggestion to Payne about Wade, and Wade's meeting with Graham, turned out to different from what Graham told us. Graham said that the two incidents were only separated by a day. Yet Graham's own calendar showed that he met with Wade on April 17 instead of April 10. Wade's calendar showed that she met with W2I on April 16, and she said she met with Graham the next day, on April 17.

3. The investigation disclosed that Graham met with W2I representatives and tried to get Warren Williams to withdraw from a WMATA contract in exchange for Graham's support on the Lottery

contract. Graham did this notwithstanding his public opposition to the Lottery contract and the fact that Graham is one of two District of Columbia representatives on the Board of Directors of WMATA. After I had interviewed Alaka Williams, she and Scott Bolden, her attorney, volunteered information about a later meeting they had had with Councilmember Graham. This was at a time when W2I representatives were meeting with all the members of the Committee. Graham scheduled the meeting and it lasted about two hours.

Graham talked about how Warren Williams has all the good real estate deals. Graham also talked about how it would take a lot to move him on the lottery contract issue. Graham told them the conversation is completely off the record, and then said that if Warren Williams Jr. would step off the WMATA contract, then Graham would be willing to get on board with the lottery contract. Alaka Williams told me that Williams had two contracts at the same time, a contract with WMATA to develop property around the Metro station in Graham's ward, and the lottery contract. Graham was trying to negotiate with Williams to back off the WMATA contract so Graham could re-bid the contract and another one of the bidders, who was Graham's favorite contractor, could get the contract. Graham said he had talked to a lot of other people who were qualified for these contracts and they were not getting a chance. Williams told Graham that he had already been awarded the contracts and the process had been fair and that Williams couldn't do what Graham wanted.

I did not investigate this additional information because it was not directly relevant to Graham's allegation against Payne, because there was no clear violation of any criminal statute, and because I have no jurisdiction to investigate impropriety on the part of a D.C. Councilmember. Instead I recommended that Scott Bolden report the information to the Inspector General. The information about Graham does suggest, however, that Graham's actions regarding the Lottery contract are part of his separate political agenda, and that his allegation against Payne may have been another means for Graham to advance that agenda.

Confidential Source

FOIA CONFIDENTIAL TREATMENT REQUESTED