

October 15, 2007

Mr. Sean C. Cahill
Louis Dreyfus Property Group
2001 K Street, NW
Suite 202
Washington, DC 20006

Re: ***Retail Strategy***
Capital Place



Dear Sean:

I have reviewed the proposed plans for the retail areas of Capital Place and have developed a retail leasing strategy that takes into consideration (i) the demand for retail in the immediate trade area, (ii) the retail offerings that exist in the trade area and (iii) the nature/ character of the retail spaces in the building.

The immediate trade area is comprised of dense residential and office uses. As for retail offerings, H Street offers a variety of services, shops and restaurants, as does Union Station. While H Street is experiencing a renaissance and Union Station is going through some renovation of its tenant mix, the opportunity exists to attract uses that more directly address retail demand generated by the local neighborhood.

In developing a leasing strategy, I would break the target retail market into two categories: *Service and Shopping/ Dining*. Service retail would comprise those daily uses that residents of the building and neighborhood would find as a convenience and amenity. Shopping/ Dining retail would comprise those uses that could offer retail variety.

Examples of both types of uses are listed on the attached Exhibit A, with their attendant size requirements. Other than a restaurant, bakery or market, I envision most uses to be in the 1,500 -2,000 square foot range.

As you review the targets, please understand that these are examples of the types of uses but not necessarily a commitment as to size of stores, number of units or variety. In essence, it represents a logical and strategic mix of uses that would be viable in meeting the demands of the people that already work and live in the neighborhood, as opposed to destination type uses or big box/ national chain stores.

Once you have had a chance to review the attached, please call me to discuss any questions or comments you might have. I look forward to working with you on this exciting project.

Very truly yours,
ASADOORIAN RETAIL SOLUTIONS

A handwritten signature in black ink, appearing to be 'JA' with a stylized flourish.

John A. Asadoorian

EXHIBIT A
TARGET RETAIL USES
CAPITAL PLACE

Service Uses	Size
Coffee/ Tea	1,500
Dry Cleaner (pick-up/drop off)	1,000
Bakery/ Café	3,500
Copy/ Shipping/ Home Office Supplies	2,000
Ice Cream/ Gelato	1,000
Bank	2,000
Butcher/ Cheese/ Gourmet	1,500
Market	3,500-5,000
Spa/ Salon	1,500
Pet (supplies/ grooming)	1,500
Wine Shop	1,500

Shopping Uses	Size
Home Furnishings (accent/accessories)	1,500
Home Furnishings (carpet/ textiles)	1,500
Restaurant	3,500-4,500