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File No. 27758-030

November 17, 2005

ZONING COMMISSION
CASE No. 01-28
EXHIBIT No. 97

2005 NOV 17 PM 2:33
D.C. OFFICE OF ZONING
RECEIVED

Chairperson Carol J. Mitten and Members
D.C. Zoning Commission
One Judiciary Square, Suite 210 South
441 4th Street N.W.
Washington, D.C. 20001

RE: Case No. 01-28TE (PUD Modification & Time Extension-200 K Street N.E.)
Supplemental Submission Regarding the Time-Extension Request

Dear Chairperson Mitten and Members:

We have learned that the Zoning Commission may be considering making its decision on the time-extension portion of the above-listed application on the basis of the written record, without taking oral testimony addressing this aspect at the hearing this evening. We understand that ANC 6C, even though it is a party to the case, and public witnesses will not be allowed to present oral testimony on this aspect, and that the Applicant also may not be invited to supplement our written submission of November 8th with oral testimony to provide additional and more detailed information.

To accommodate for that possibility, I am providing the following information regarding the additional information the Applicant, Ronald J. Cohen, is prepared to testify to under oath if, as we assume, the Applicant may be invited to present oral testimony at the hearing. If Applicant testimony is not invited, we request that the Commission include this letter in the written record upon which it bases its decision regarding the time-extension portion of the application.

In essence, the 200 K Street NE PUD is a perfect example of a project ahead of its time. From the beginning, it was a good project as the Commission has recognized. But it was in the wrong place at the wrong time to satisfy investor/lender financing requirements. Near Northeast DC was not "lender-friendly" in the late 1990s and early 2000s for office and residential developments. Now, the time is right, and the location has become sufficiently desirable for Mr. Cohen to secure solid construction and permanent financing from ZOM-USA, the U.S. subsidiary of a major international investor whose representative, Jon Wallenstrom, will be available for the Commission's questions this evening.

Our written submission of November 8th included affidavits from Mr. Cohen and his mortgage broker, James P. Ventura of Ventura Commercial Mortgage, describing their diligent efforts to obtain project financing and leasing commitments for the PUD development during the period from late 1999 until recently. The affidavits were offered in support of the Applicant's

ZONING COMMISSION
District of Columbia
CASE NO.01-28
EXHIBIT NO.97

"good cause" for the extension of time, pursuant to section 2408.10(c) of the Zoning Regulations, based upon the Applicant's "inability to obtain sufficient project financing for the PUD, following an applicant's diligent good faith efforts to obtain such financing, because of changes in economic and market conditions beyond the applicant's reasonable control", as stated in section 2408.11(a).

The affidavits cover the period from mid-1999 until recently, because this period is the basis of the pending application. By Order Number 783-B, adopted December 13th, 1999, the Commission extended the PUD for two years – until October 27th, 2002, for the building permit application, and until October 27th, 2003, for construction to begin. So, for the purposes of the current time-extension application, the Applicant must demonstrate his diligent efforts to obtain project financing during the period covered by Order Number 783-B and thereafter.

Elaborating on the affidavits, Mr. Cohen provides the following additional information and is prepared to so testify under oath if the Commission wishes.

1) In approximately November 1999, Mr. Cohen directed his regular mortgage brokerage firm, Ventura Commercial Mortgage and its principal, James P. Ventura, to market the 200 K Street development to prospective investors/lenders with the objective of securing financing as soon as possible.

2) Mr. Ventura marketed the project to five (5) investors/lenders that he considered to be good prospects, based upon his 22 years of mortgage lending experience and expertise. Mr. Ventura's initial contacts with these firms, named in his affidavit, in late 1999 and early 2000 produced decidedly negative results. As Mr. Ventura stated in his affidavit, the firms cited "the pioneering location of this area" and the absence of a pre-leasing tenant commitment as reasons for their lack of interest.

3) Mr. Ventura regularly checked back with these prospective investors/lenders to determine if there was any change in their views regarding the financial viability of the project. Mr. Cohen received regular reports from Mr. Ventura that there was no change and no investment interest, largely due to the project location.

4) In an effort to secure the office pre-leasing commitment required by prospective lenders/investors, Mr. Cohen aggressively pursued prospective federal and local government lessees because he recognized that government, particularly the D.C. Government, would recognize and value the positive impact that a large government office could have in jump-starting revitalization activity in the Near Northeast neighborhood of the 200 K Street NE PUD site.

5) In 1999, it became known that the D.C. Government intended to relocate the D.C. Department of Employment Services from its 6th Street and Pennsylvania Avenue NW building in order to sell the site. Upon learning this, Mr. Cohen approached D.C. Government officials with a proposal to relocate DOES as the principal tenant for the office building then included in the 200 K Street NE PUD.

6) Mr. Cohen, by his best recollection, engaged in sixteen (16) meetings with DOES and other D.C. Government officials to advocate DOES relocation to the 200 K Street development. These meetings occurred in late 1999 and early 2000.

7) Mr. Cohen's discussions and negotiations regarding relocation of the D.C. DOES offices were unsuccessful. The D.C. Government chose to relocate DOES in the redeveloped People's warehouse building at 64 New York Avenue N.E.

8) Mr. Cohen also pursued federal government office leasing prospects for the originally-approved PUD office component by seeking out and responding to federal government office-space solicitations. As stated in his affidavit, he submitted responses to three (3) federal Government Services Administration SFOs (Solicitations for Offers). In the GSA process, GSA screens responses to SFOs, and selects some among them to receive formal Requests for Proposals. None of Mr. Cohen's SFO submissions was selected for further review and invitations to respond to an RFP.

9) To promote the 200 K Street NE site for federal office use, Mr. Cohen met on two occasions in 2000 and 2001 with D.C. Delegate Eleanor Holmes Norton to enlist her support and assistance in securing a federal government office leasing commitment for the project.

10) In other efforts to secure a federal tenant, Mr. Cohen met in 1998 with then-Sen. Lauch Faircloth who chaired the D.C. Subcommittee of the Senate Appropriations Committee. Senator Faircloth assured Mr. Cohen of his support which proved to be of no help because the Senator was defeated in his 1998 re-election campaign.

11) Mr. Cohen's current application for a time extension and PUD modification, first submitted on October 24, 2001, stated that GMAC Commercial Mortgage was ready, willing, and enthusiastic about financing the residential component of the PUD project. Soon thereafter, GMAC delivered to Mr. Cohen an unwelcome surprise – it would not follow through on its financing commitments unless Mr. Cohen could provide evidence of pre-development purchase commitments for at least 50% of the residential condominium units. At that point, with the PUD validity about to expire, it was impossible for Mr. Cohen to market the units and obtain pre-development purchase commitments to satisfy GMAC in advance of the PUD expiration date.

12) Mr. Cohen's October 24, 2001, application also stated that he was "engaged in sensitive negotiations with a major tenant" for the office component, and that these negotiations were expected to be completed successfully within 12 months. His reference was to Enron which was considering the site for telecommunications operations, but ultimately chose to locate at 60 Florida Avenue N.E. Within one year, Enron had collapsed and abandoned its D.C. operation.

13) At the same time, three high-tech firms – Level 3, Global Crossing, and Teleglobe – expressed interest in leasing portions of what was then the office component of the PUD. Level 3 was on the verge of committing to a lease, but then changed course and attempted to lease space at 90 K Street N.E., only to back out prior to the commencement of construction. The Teleglobe discussions proved fruitless. After performing due diligence on Global Crossing, Mr. Cohen determined that it did not have the financial capability to enter into lease commitments and did not pursue further negotiations. Global Crossing collapsed in bankruptcy and scandal in January 2002.

14) In February 2002, Mr. Cohen retained Insignia/ESG, Inc., to market the site. A copy of his engagement letter with Insignia is attached. Insignia's efforts were unsuccessful.

15) Among other efforts in 2002, Mr. Cohen engaged in discussion with Christopher Cassidy, President of the Highlands Companies of Alpharetta, Georgia, and Peter B. Cozens, Development Manager of Wood Partners of Charlotte, North Carolina. Copies of correspondence with these developers are attached. Note particularly Mr. Cozens's statement in his letter to Mr. Cohen, dated May 10, 2002: "The initial response from my Directors for becoming involved in these sites was guarded but favorable. The overall story has merit but **I need to overcome the knee-jerk negative reaction to the sense by some that it is somewhat early to commit to a massive redevelopment in these areas."** *(Emphasis added.)*

16) In May 2003, Mr. Cohen entered into an agreement with a London firm doing business as Union North Corporation. A copy of the agreement is attached. The firm committed to provide financing, but later reneged on the agreement.

As this evidence demonstrates, Mr. Cohen aggressively worked to obtain project financing, but was unable to do so until recently. His willingness to be a development pioneer in an underdeveloped neighborhood was in the city's best interests, but severely hampered his ability to bring the project to fruition until the present time.

Thank you for allowing us to submit this document into the written record.

Sincerely,

John Ray
MANATT PHELPS & PHILLIPS
Counsel to the Applicant

CERTIFICATE OF SERVICE

I hereby certify that a copy of this document was served upon the following on November 17, 2005:

By E-MAIL to:

ANC 6C03 Commissioner Lena A. Brown
lbrown3117@aol.com

ANC 6C04 Commissioner Daniel Pernell
ccoroutreach@aol.com

ANC 6C05 Commissioner Anthony Rivera
arivera268@aol.com

ANC 6C06 Commissioner Mike Sherman
mikesherman7@gmail.com and msherman@sand2.com

ANC 6C08 Commissioner Karen J. Wirt
kwirt@toward.com and kwirt@crs.loc.gov

ANC 6C09 Commissioner Charles A. Docter
charleydocter@yahoo.com

D.C. Office of Planning
Jennifer.Steingasser@dc.gov, and Stephen.Cochran@dc.gov

John Ray

RICHARD A. LUNDREGAN
Senior Managing Director

Insignia/ESG, Inc.
Real Estate
8270 Greensboro Drive
Suite 1000
McLean, VA 22102
Direct Tel: 703/905-0225
Fax: 703/442-4956

www.insigniaesg.com

Insignia ESG

February 11, 2002

Mr. Ronald J. Cohen
Ronald Cohen Investments
6500 Rock Spring Drive, Suite 302
Bethesda, MD 20817

Re: Scope of Services FEB 12 2002

Dear Ronald:

It is a pleasure having the opportunity to meet with you to discuss your plans and objectives with respect to developing the site at 3rd and K St. NW, with up to 650 apartment units and to present our credentials and recent activities in the capital markets. Insignia/ESG is excited about the prospect of assisting you in the evaluation of alternatives and the determination and implementation of a capitalization strategy for this project.

As we discussed, Insignia/ESG is constantly in the market with a variety of transaction structures. Having established broad-based relationships with a variety of capital sources, from money centers and foreign banks, to Wall Street equity and debt players, to life companies and pension funds investors, we bring an accomplished track record to the table with both developer/investor borrowers and capital sources. By consistently performing at the highest level of responsiveness and professional expertise, Insignia/ESG will assist you in meeting your financial objectives while best serving your interests in this or any other engagement.

ENGAGEMENT SIX (6) WITH MUTUAL RIGHT TO EXTEND MONTH TO MONTH.

RONALD J COHEN 200 K CORPORATION

We propose to undertake this engagement for joint venture, hybrid equity capital and/or pre-sale as required for a period of ~~nine (9)~~ months, which may be extended at the mutual agreement of both ~~Frank S. Phillips Corporation~~ and Insignia/ESG. This engagement would be documented by our separate agreement to provide financial services.

This engagement letter is organized into the following three sections:

- Scope of Services and Approach;
- Timing, Meetings and Reports; and
- Staffing and Professional Budget and Fees.

Although all information furnished regarding property for sale, rental or financing is from sources deemed reliable, such information has not been verified, and no express representation is made nor is any to be implied as to the accuracy thereof, and it is submitted subject to errors, omissions, change of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice.

SCOPE OF SERVICES AND APPROACH

Insignia/ESG will provide real estate financial services for the evaluation of capital alternatives, determination and implementation of a financing strategy and execution of the proposed financial transaction.

Phase I: Comprehensive Review of Transaction and Objectives:

- Fully understand your current and long-term objectives for this project;
- Review preliminary underwriting of the specific asset, budgets and other financial requirements;
- Prepare financial models demonstrating alternatives within the context of current capital market structures and terms;
- Understand strengths and weaknesses of the proposed transaction elements; and
- Identify and develop various strategies to implement this financing.

Phase II: Strategy Recommendations:

- Review of applicable financial capital options available; and
- Recommend the best approach to address your financial and non-financial requirements.

Phase III: Implementation & Execution (Based on the determinations of Phase II):

- Prepare detailed offering memorandum for equity and/or hybrid debt sources;
- Provide market support/information to equity and/or hybrid debt capital sources;
- Provide analytical support to equity and/or hybrid debt capital sources and you;
- Conduct site visits, market tours and other meetings with you and potential capital sources;
- Review with you letters of interest, quotes or letters of intent from equity and/or hybrid debt capital sources;
- Negotiate equity/joint venture term sheets, loan applications, commitments and final transaction documents as applicable; and
- Process all details required to close the transaction(s) in a timely fashion.

Although all information furnished regarding property for sale, rental or financing is from sources deemed reliable, such information has not been verified, and no express representation is made nor is any to be implied as to the accuracy thereof, and it is submitted subject to errors, omissions, change of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice.

TIMING, MEETINGS AND REPORTS

Insignia/ESG is prepared to initiate this engagement immediately following your authorization to proceed. We anticipate that the scope of services detailed herein can be completed within four to five months on a conventional timetable. This will entail working closely with you throughout the conduct of the engagement, with status update meetings on a bi-weekly basis, or more frequently if required.

Beginning with the date of this engagement as evidenced by the appropriate signatures below, Insignia / ESG will provide Mr. Ronald J. Cohen with written evidence detailing our findings and recommendations with respect to the conclusions of the prior tasks on a bi-monthly basis. This evidence will be in the form of a written report detailing the names of prospective investor partners as well as the specific status of negotiations with select investor partners. In addition, at the end of each Quarter, we will meet with you to discuss, in detail, our progress and the status of this transaction.

STAFFING AND PROFESSIONAL FEE BUDGET

This engagement will be staffed with dedicated real estate professionals from our McLean, Virginia and Washington, D.C. offices. Richard A. Lundregan, Senior Managing Director, Patricia Earnest, Managing Director, and John Sheridan, Associate Managing Director, all of Insignia/ESG's Capital Advisors Group, will oversee this effort. Financial Analyst support in the Brokerage Services Group, will assist and provide coverage to implement the financial transaction. Other professionals from our Brokerage Services Groups will augment this process, as needed, to fulfill requirements for market research/data and support for financial due diligence and approval purposes.

For services provided in Phases I, II & III of the assignment, including all analysis, recommendations, marketing support and any other required consultation by Insignia/ESG professionals, the fee schedule will be as follows:

- Equity — 1.0% of total capitalization amount
- Mezzanine equity: — 6.0% of mezzanine capital committed
- A high-leverage, single source debt transaction[1]: — 2.0% of total debt capital
- A first trust construction loan transaction: — 1.0% of total debt capital committed
- Pre-sale commitment: — 1.0% of total value committed
- A "break-up" fee in the amount of $50,000 for out of pocket expenses,

IF RONALD COHEN TERMINATES AT END OF 6TH MONTH AND ALL MARKETING PROPERTY BOOKLETS, MARKET SURVEYS, STUDIES AND THE LIKE WILL BECOME SOLE PROPERTY OF RONALD J. COHEN. IF ENGAGEMENT GOES BEYOND 7 MONTH AND TERMINATION TAKES PLACE NO FEE WILL BE PAID

[1] In excess of 80% loan-to-value.

Although all information furnished regarding property for sale, rental or financing is from sources deemed reliable, such information has not been verified, and no express representation is made nor is any to be implied as to the accuracy thereof, and it is submitted subject to errors, omissions, change of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice.

Insignia/ESG brings value to you in this financing process by:

- Structuring, packaging and negotiating the transaction on your behalf;
- Creating a sense of constructive competition among capital sources;
- Serving in an integral role with you in the development of the financial strategy and its execution;
- Providing a consistency of information distributed to potential capital sources and received by you in the decision-making process;
- Providing broad-based, high-level access to potential capital sources;
- Supporting the transaction through financial/analytical expertise, paired with substantive local real estate market information; and
- Focusing appropriate attention to all the necessary details through closure.

We clearly define our business practice as a consultative, hands-on approach. Through this process, Insignia/ESG creates a mutuality of interests and information with the client, which best facilitates concluding the most effective financial transaction.

We look forward to discussing Insignia/ESG's proposal in greater detail and the opportunity to work with you in the successful completion of this assignment.

Sincerely,

INSIGNIA/ESG, INC. CAPITAL ADVISORS GROUP

Richard A. Lundregan
Senior Managing Director

Please acknowledge your acceptance of this engagement by signing and returning a copy of this letter.

By: Ronald J. Cohen / President

For: Cook Corporation
Name of Legal Owner of Site

Date: 2-13-02

Although all information furnished regarding property for sale, rental or financing is from sources deemed reliable, such information has not been verified, and no express representation is made nor is any to be implied as to the accuracy thereof, and it is submitted subject to errors, omissions, change of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice.

HIGHLANDS COMPANIES

March 24, 2002

Mr. Ronald Cohen
Ronald Cohen Investments
6500 Rockspring Drive, Suite 302
Bethesda, Maryland

Re: Union Station Development

Mr. Cohen,

I enjoyed meeting with you last week to discuss your site located near Union Station. As I promised, Bill Bush and I drove the site and the area to begin to understand the dynamics of developments planned and already happening in that part of the city. Upon initial review, we would have an interest in talking to you further about your plans for this property.

As I stated when we met, it is very important for us to make our first step in the Washington market one that is calculated and destined to win. It is my opinion that your site has the essential characteristics to have great things happen. At present, I think we would have an interest in looking at a single development with you and based on its success look at woking with you on the rest of the property over time. If this strategy has interest to you, I will come back to Washington and discuss how we may begin to move forward.

Again, I would like to thank you for the opportunity to meet you and discuss your Union Station property.

Sincerely

Christopher Cassidy

Christopher Cassidy
President

4.2.02
TALKED W/ CHRIS AND PROPOSED J/V: PROPOSED 50/50, LAND @ $4000 P/A
HE PROVIDE EQUITY @ 20%, BOTH ON DEBT

HIGHLANDS COMPANIES
4555 Mansell Road, Suite 300 Alpharetta GA 30022
Phone 678.252.1500 Fax 678.252.1510

525

WOOD
PARTNERS

May 10, 2002

Ronald J. Cohen
Ronald Cohen Investments
6500 Rock Spring Drive
Suite 302
Bethesda, MD 20817

Dear Ron,

Just a quick note to thank you for taking the time to meet on Thursday and share with me your vision for developing the Anacostia and Union Station properties. Given their respective locations and the surrounding areas, it took quite a bit of vision and not just a little nerve to take those down. Hats off to you!

The initial response from my Directors for becoming involved in these sites was guarded but favorable. The overall story has merit but I need to overcome the knee-jerk negative reaction to the sense by some that it is somewhat early to commit to a massive redevelopment in these areas. I believe that the lengthy entitlement process may work to my advantage on that count.

In order to present the most orderly argument possible, could I impose upon you to outline some of the broad deal points under which an agreement may be formed? i.e: Partners duties and obligations, land value for JV purposes, planning and zoning timetable, any proposed exit strategies you may want to consider. This information can help me hang some meat on a skeleton of a deal for the partners to consider.

Thank you once again for your time and for your consideration. I certainly hope that our brief encounter may lead to a long relationship between our companies.

Best Regards

Peter B. Cozens
Development Manager

Cc Bruce C. Winston

RONALD COHEN  INVESTMENT

VIA FIRST CLASS MAIL

May 14, 2002

Peter B. Cozens
Development Manager
Wood Partners
1001 Morehead Square Drive
Suite 250
Charlotte, NC 28203

Dear Peter:

I enjoyed talking to you last week regarding what I refer to as "Square 749" which is the city blocks bound by Second and Third Streets, and K and L Streets, N.E., Washington, D.C.

Before I answer the specific questions contained in your letter of May 10, the following is a short recap of some things you need to know regarding the property:

- The entire "Square 749" consists of approximately 100,000 square feet of land. The land is fully useable under a Planned Unit Development (PUD) obtained in 1997. That PUD, among other things, calls for a residential development of 200,000 square feet (plus or minus) and an office component consisting of approximately 650,000 square feet.

- Back in 1997 the residential component was required by the community in order to support the overall density. Presently, things from the development standpoint have changed and the primary use, I believe, is residential.

Having said that, my thought is to form a joint venture and bring in a partner who will contribute fifty percent of the value of the real estate (30 million dollars). That equates to approximately $35 dollars per building square foot.

The partner would be obligated to contribute 50% in cash. The property would be deeded to a newly formed company. The various partners would have negotiated ahead of time their required functions and obligations. I see a true 50/50 relationship. My construction company would build the project under a bonded arrangement. The other duties and obligations can be negotiated if this goes any further.

6500 Rock Spring Drive • Suite 302 • Bethesda, Maryland 20817 • (301) 493-5800 • FAX (301) 530-1582

Regarding the planning and zoning timeline, the first building known as the "Laura Grand" which consists of approximately 165 apartment units can commence this year. If the new venture now being proposed blossomed, the remaining buildable footage could be converted to residential within 12 months. This would not be a difficult task and, quite frankly, I think the area is ready for a residential statement of this magnitude, thus creating an inner city environment within a residential complex. This is unique to a well planned residential development and properly planned this can be a one of a kind.

I hope this letter gives you enough information to go to the next round of questions. Please don't hesitate to call, and I look forward to your response.

Very truly yours,

Ronald J. Cohen

RJC:lme

cc: Bruce Winston

AGREEMENT

THIS AGREEMENT is made as of the 16th day of May, 2003, by Union North Corporation, a District of Columbia corporation ("UNC") and Ronald J. Cohen ("Cohen")

WHEREAS, Cohen and UNC have been negotiating the terms and conditions of a joint venture (the "Joint Venture") for the development of certain lands within Square 749 in the District of Columbia owned or controlled by Cohen and Cohen affiliated entities (the proposed "Union North Development"); and

WHEREAS, certain lands, being Lots 35, 39 and 40 in said Square 749 (the "Purchase Lots") and intended to be part of the said Union North Development are under contract of sale to Cohen or his affiliates, copies of said contracts being attached hereto as Exhibit A (collectively, the "Purchase Contracts") and which, by their terms, are scheduled to go to closing before the anticipated completion of negotiations between Cohen and UNC of the Joint Venture terms and conditions; and

WHEREAS, UNC has agreed to purchase the Purchase Lots inaccordance with the terms and conditions of the Purchase Contracts and under the terms and conditions hereinafter set forth; and

WHEREAS, it is the intention of the parties that, in accordance with the terms of the proposed Joint Venture upon certain conditions, including but not limited to the return to UNC of the Purchase Prices under the Purchase Contracts and the costs and expenses of the purchase of the Purchase Lots in accordance with the terms and conditions of the Purchase Contracts and including but not limited to transfer taxes and other closing expenses customarily incurred inthe purchase of real property in the District of Columbia, plus interest on such sum calculated at the rate of ten percent (10%) per annum (the "Lot Purchase Money"), then UNC shall convey the Purchase Lots to the Joint Venture.

NOW THEREFORE WITNESS, that in consideration of the premises herein stated, and the mutual agreements contained within this Agreement, the parties hereto agree as follows.

1. Cohen shall, and hereby does, subject to satisfaction of the obligation by UNC to close on the Purchase of the Purchae Lots in accordance with the ters and conditions of the Purchase Contracts, sll of his right, title an interest in and to the Purchase Contracts to the Company.

2. UNC shall purchase the Purchase Lots in accordance with the terms of the Purchase Contracts, including transfer taxes, title and other closing expenses customarily incurred in the purchase of real property in the District of Columbia (estimated in the amount of approximately $1,650,000).

3. Finalization of the terms and conditions of the Joint Venture.

The proposed terms of the Joint Venture, for the development of the Project anticipated by the Joint Venture are set forth generally in the draft form of Operating Agreement of

Union North Holdings, LLC ("Holdings"), a copy of which is attached hereto as Exhibit B and the draft form of the proposed Operating Agreement of this Company, which is attached hereto as C (Exhibit C is intended to establish the framework for the Operating Agreements of Union North Phase I, Union North Phase II, LLC and Union North Phase III, LLC as anticipated by the Holdings Operating Agreement). The terms and conditions of the Joint Venture shall be considered to have been finalized in accordance with the provisions hereof at such time as:

(a) The parties hereto have caused to be prepared, and accepted by DCRA, Articles of Organization for Union North Holdings, LLC, Union North Phase I, LLC, Union North Phase II, LLC, Union North Phase III, LLC and Articles of Incorporation for the proposed corporate Manager(s) of such entities; and

(b) The Parties hereto, and their associates and affiliates have executed Operating Agreements for Union North Holdings, LLC, Union North Phase I, LLC, Union North Phase II, and Union North Phase III.

In the event that the terms and conditions of the Joint Venture have not been finalized within thirty (30) days of the date hereof, then Cohen shall repay to UNC the Lot Purchase Money within six (6) months of that date, at which time, UNC shall convey the Purchase Lots to Cohen, or his assigns at the cost and expense of Cohen.

4. Cooperation. UNC agrees that, at no cost or expense to UNC,, UNC shall fully cooperate with Cohen or his assigns, in all matters relating to the Union North Development. The term "cooperate" as used herein, shall include, but not be limited to the execution and consent by UNC to any and all zoning, PUD or other administrative matters or applications, etc. relating to the development of the Union North Development. UNC agrees that, upon execution by Cohen of this Agreement, it shall by irrevocable corporate resolution, authroize Herbert A. Callihan, Vice President of UNC, to execute any and all such documents or consents necessry to satisfy the requirements of this Pararaph 4 in the event that UNC shall fail or refuse to do so.

5. Notices. All notices under this Agreement shall be in writing and shall be deemed to have been given when delivered personally, or mailed by certified or registered mail, postage prepaid, return receipt requested. Notices to the UNC shall be delivered at, or mailed to Carpenter House, w1 Waverton Street, London, England W1J5QR, with a copy to Herbert A. Callihan, Esq, 5000 Sunnyside Avenue, Suite 201, Beltsville, Maryland, USA, 20705. Notices to Cohen shall be delviered to Suite 200, 2701 Tower Oaks Boulevard, Rockville, Maryland 20852.

6. Amendments. This Agreement is subject to amendment only in writing signed by both parties hereto.

7. General Provisions.

7.1 Specific Performance. The parties recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages will be inadequate to fully

restraining and enjoining any act which would constitute a breach or (ii) compelling the performance of any obligation which, if not performed, would constitute a breach.

7.2 Applicable Law. All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not ~~the law of conflicts~~, of the District of Columbia.

7.3 Binding Provisions. This Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

7.4 Jurisdiction and Venue. Any suit involving any dispute or matter arising under this Agreement may only be brought in the United States District Court for the District of Columbia or any District of Columbia Court having jurisdiction over the subject matter of the dispute or matter. Each party hereto does hereby consent to the exercise of personal jurisdiction by any such court with respect to any such proceeding.

7.5 Separability of Provisions. Each provision of this Agreement shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

7.6 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

WITNESS/ATTEST:

RONALD J. COHEN

UNION NORTH CORPORATION, a District of Columbia corporation

By: _____
Pat Cowan, President

_____
Herbert A. Callihan, Secretary