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FROM: James P. Hughes, Jr., Esquire
PHONE: (302) 571-6670

DATE: January 29, 2004
CLIENT MATTER: 99999.1154

PLEASE DELIVER AS SOON AS POSSIBLE TO:

	RECIPIENT	COMPANY	FAX NO.	PHONE NO.
1.	William K. Condrell c/o Mr. Kioumars Aghazadeh	Watergate East, Inc.	(202) 333-8585	
2.	James W. Lewis c/o Mr. Kioumars Aghazadeh	Watergate East, Inc.		
3.	Elizabeth B. Wood c/o Mr. Kioumars Aghazadeh	Watergate East, Inc.		
4.	Judith S. Eaton c/o Mr. Kioumars Aghazadeh	Watergate East, Inc.		
5.	Lester Schlitz co. Mr. Kioumars Aghazadeh	Watergate East, Inc.		
6.	Cesar Caceres c/o Mr. Kioumars Aghazadeh	Watergate East, Inc.		

Total number of pages including this page: 30
If you have any problems with this transmission, please call (302) 571-6670.

Message: Attached please find papers that were filed at 12:41 p.m. today with the Delaware Court of Chancery naming six directors of Watergate East, Inc. as defendants in an action pursuant to § 225(b) of the Delaware General Corporation Law.

ZONING COMMISSION
District of Columbia
Case 03-16
Exhibit 45

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ZONING COMMISSION
District of Columbia
CASE NO.03-16
EXHIBIT NO.45

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN AND FOR NEW CASTLE COUNTY

John Baring, Daniel Sheenan, James Thomas Ward, and Audrey Wolf	)	
Plaintiffs,	)	
v.	)	**Civil Action No. _____**
Watergate East, Inc., William K. Condrell, James W. Lewis, Elizabeth B. Wood, Judith S. Eaton, Lester Schlitz, and Cesar Caceres	)	
Defendants.	)	

COMPLAINT PURSUANT TO 8 Del. C. § 225(b) FOR DETERMINATION OF VOTE OF MEMBERS

Plaintiffs are residents and members of, and are currently serving as directors of, Watergate East, Inc., a Delaware not-for-profit corporation ("WEI" or the "Company"), and allege the following by way of this Complaint against defendants William K. Condrell, James W. Lewis, Elizabeth B. Wood, Judith S. Eaton, Lester Schlitz and Cesar Caceres, the remaining directors of the Company and the corporation as a necessary party to the action:

Nature of the Action

1. Plaintiffs bring this proceeding pursuant to Section 225(b) of the Delaware General Corporation Law for a determination that a vote by a majority of the voting power of the members of Watergate East, Inc. attending a special meeting of the members on January 22,

2004, at which a quorum was present in person or by valid proxy, effectively approved the sale of a fraction of WEI property to Monument Residential, LLC, a developer of the property presently used by the Watergate Hotel. There is no factual dispute that the special meeting was duly noticed, a quorum of WEI's members was present and that a majority of the voting power of the members present in person or by valid proxy cast their votes in favor of the transaction. Nonetheless, the Defendants have refused to honor the majority vote under the mistaken belief that the transaction needed approval of three-fourths of all of WEI's voting power, or, possibly a majority of the full voting power. This misunderstanding reflects an improper interpretation of Delaware law and the Company's charter, which requires a three-quarters vote of the voting power only to sell or encumber "all" or, in the case of the statute, "substantially all" of the Company's assets. In situations in which such a majority is not required, shareholder actions properly referred to members may be taken by a majority of those members voting at a meeting at which one-third of the voting power is present in person or by proxy. Because the assets in question constitute roughly 6% of the square footage owned by the Company, are encumbered by a 99-year lease that prevents WEI from using the property for its own purposes for another 62 years, consists largely of underground concrete slab now used for car parking and ancillary hotel purposes, and has the approximate value of, at most, 5% of the total value of the property owned by WEI (based on WEI's 2004 assessment by the District of Columbia Tax Assessor), there is no colorable argument that the transaction constitutes a sale of "all" or "substantially all" of WEI's assets. Accordingly, the super majority voting provisions of the Company's charter do not apply and the majority vote of the members present at a duly called meeting at which a quorum was present in favor of the transaction was enough for the issue to be decided as that majority voted.

Accordingly, this Court should declare that the majority vote of the members at the January 22, 2004 meeting was sufficient to approve the sale, and declare that the supermajority voting provisions contained in the General Corporation Law and Charter were not applicable to that transaction. In addition, the Court should enjoin the Defendants from stating publicly or otherwise acting as though the approval of the sale was rejected by WEI, and require them, in good faith, to negotiate, execute and deliver the contractual agreements that were approved by the requisite majority of WEI's voting power.

Parties

2. Plaintiffs all are residents of Watergate East, a co-operative apartment building with 240 apartments, located next to the Watergate Hotel in Washington, D.C. The Watergate East building, located at 2500 Virginia Avenue, NW, is owned by Watergate East, Inc., a non-profit Delaware corporation. Each plaintiff is a resident of an apartment in the Watergate East and a member of Watergate East, Inc. Each plaintiff occupies his/her apartment pursuant to a "proprietary lease" from the co-op Company and owns shares in the Company allocated in accordance with a formula that is essentially related to the number of square feet in the apartment and the location of the apartment in the building (i.e., whether or not it has a river view and whether it is on a lower or higher floor of the building), factors that affect the market value and mortgage value of the apartments. Pursuant to Article Eighth of the Charter and Bylaw 31 of WEI, each member is entitled to one vote for each $100 or fraction thereof of mortgage value stated in the Proprietary Lease and Occupancy Agreement owned by such member. These voting rights are commonly referred to as "shares" in the co-op. Collectively, the individual

plaintiffs own 2,473 shares of such voting power. Each plaintiff has been a resident of the apartment building for at least two years and some have been residents for more than 25 years. The plaintiffs are also members of the Board of Directors of WEI and have so served for at least one year in that capacity.

3. Watergate East, Inc. is responsible for the operation and management of the Watergate East cooperative housing project. WEI's current board of directors has 11 members, six of whom were opposed to the sale of the asset in question and those six directors, William K. Condrell, James W. Lewis, Elizabeth B. Wood, Judith S. Eaton, Lester Schlitz and Cesar Caceres, are the named Defendants. Each of those Defendants is a resident of an apartment in Watergate East. Defendant William K. Condrell serves as the President of the Board, and Defendant Lester Schlitz serves as a Vice President of the Board. Collectively, the six directors/defendants own 2,042 shares of the voting power of WEI.

Facts

4. WEI is one of six buildings that comprise the "Watergate Complex." In addition to Watergate East, two residential apartment buildings are owned and operated by separate co-op associations known as Watergate South and Watergate West, respectively. The Complex also includes two office buildings, independently owned and operated, and the Watergate Hotel. The Complex is the subject of a "Planned Unit Development" ("PUD") approved by applicable agencies of the District of Columbia and is zoned for residential use.

5. The Watergate Hotel, located next to the Watergate East, has been owned for the past 10 years by a New York investment group called the Blackstone Group. Blackstone has apparently employed a number of separate operators to run the Hotel, including, among others,

the Swisshotel chain. Because its location is somewhat remote from Washington's core downtown area as well as from shopping and entertainment facilities other than the Kennedy Center, and because its infrastructure is apparently in need of substantial renovations, Blackstone has attempted, upon information and belief, to sell the Hotel to a variety of potential buyers. After efforts to sell the Hotel to a national chain failed, a local developer, Monument Residential LLC ("MR"), has stepped in and offered to buy the Hotel at a price that Blackstone will apparently accept. MR plans to convert the Hotel into 133 co-op units.

6. As part of its plan to convert the Hotel to a residential co-op, MR also proposes to buy roughly 44,000 square feet of space that the Hotel currently leases from WEI (the "Space"). The Space is now used by the Hotel as 75 garage spaces and certain other Hotel facilities on the B-1 and B-2 subterranean levels of the Watergate Complex appurtenant to the Watergate Hotel. WEI leases the Space to the Hotel under a 99-year lease at a rental rate of $1 per month, with 62 years remaining on the lease.

7. MR has offered WEI $4.25 million for the Space, and has also requested WEI's support before the Washington D.C. Zoning Commission at a hearing to be held on January 29, 2004 at which the Commission will determine whether the "PUD" covering the Complex may be amended to permit a conversion of the Hotel into co-op residential units. If MR cannot represent to the Zoning Commission that it has the support of WEI , it may be less likely that the Zoning Commission will approve the conversion of the Hotel into a co-op building. Because the support of the WEI membership is important, MR has agreed to record obligations to bind the future owners of the new co-op to provide members of WEI with access to a health club and restaurant

in the converted Hotel, and to limit the density of the occupancy of the new apartments to levels consistent with those in the other Watergate co-ops.

8. Upon information and belief, the Space represents less than 6% of the total square footage of the Watergate East. Additionally, the Space is not prime apartment property, but is mainly mere concrete slab with the superadjacent air space to the ceiling above, that has been used primarily as parking spaces. Upon information and belief, in its 2004 assessment of the Watergate East, the Washington D.C. Tax Assessor assessed the value of the entire Watergate East property, including its 240 apartments, as $81 million. Thus, even attributing equal value to each square foot of property of WEI, whether a portion of a garage slab or a penthouse with a view of the Potomac, the proposed payment by MR would represent roughly 5% of the total property held by WEI. An independent appraisal performed on behalf of MR concluded that without the lease encumbrance the present market value of the Space might be $3.5 million, but in light of the remaining 62 year lease, generating an annual income of $12, the market value of the Space "as is" was less than $100,000.

9. A majority of members of WEI, including the plaintiffs, have enthusiastically supported the sale of the Space both because of the cash it would generate for WEI and because it would assist MR in redeveloping the Hotel property in a way that would also benefit the members of WEI. The present Hotel has no obligation to maintain a health club or restaurant currently available to residents of WEI; under MR's proposal such amenities would be included and the obligation to maintain them recorded in the title records affecting the property. Additionally, the money received from the sale would assist WEI in helping to maintain, repair and improve its own aging building. Converting the Hotel to cooperative apartments would also

preserve the unique architecture of that building, bring to the Complex residents who would contribute to the income tax base of the city, add customers for the shops that operate in and around the Watergate complex, and reduce transient traffic. In light of those benefits, the Advisory Neighborhood Council for the area of Washington that includes the Watergate Complex, at its meeting on January 27, 2004, voted to support the proposed conversion after hearing from all sides, including some of the individual plaintiffs and defendants in this action.

10. The defendants, currently the majority of WEI's Board, take the position (also expressed at the hearing of the ANC referred to above) that the potential impact on traffic, density, property values, taxes and general standards of living would suffer as a result of converting the Hotel to co-op apartments. However, their views have not been supported by impact studies or any other empirical data.

11. In light of the apparent disagreement among the members of WEI and its Board, plaintiffs and the requisite number of other WEI members successfully invoked Bylaw 25 of WEI to request a special meeting of the members to discuss and then by vote decide whether WEI should accept MR's proposal to buy the Space and to support MR's plans before the Zoning Commission. That special meeting of members was held on January 22, 2004. In advance of that meeting, Defendant Condrell, in his capacity as President of the Board, wrote to the members on January 12, 2004. In his letter, Mr. Condrell informed the membership that the Board had voted against accepting the proposed sale (by a 6-5 vote) and recommended that the membership also reject it. Mr. Condrell indicated that he opposed the sale because of the potential quality-of-life implications from having 300-500 new full time residents.

12. Nevertheless, Mr. Condrell wrote:

> However, since I preside over our meetings, represent the full Board, make rulings that affect all members, *and will be responsible for executing whatever decision that will ultimately be made by the Membership*, I have not taken an active role in advocating one side or the other. (Emphasis added).

13. Significantly, Mr. Condrell also wrote:

> With respect to the voting itself, the Board reaffirmed the application of Paragraph Eighth of our Certificate of Incorporation to the proposed sale. It requires, "three-fourths of the voting power of the members given either in writing or at a duly called meeting of the members" to approve the proposal.

14. That conclusion reflected the apparent judgment of six of the eleven Board members that the Charter's supermajority voting provision with respect to the sale of "all" of the company's assets was applicable to the sale of a concrete slab that, whether measured in square footage or dollars, appeared to represent less than 6% of the Company's assets. In fact, Article Eighth of the WEI charter provides, in pertinent part, as follows:

> After completion of acquisition of the project, and the execution of notes, deeds of trust, leases, and all other documents in connection therewith which may be authorized by the Board of Directors, to sell, lease, exchange or mortgage, all of the property and assets of the corporation, including its goodwill and its corporate franchises, upon such terms and conditions and for such consideration as its Boards of Directors shall deem expedient and for the best interest of the corporation, but only if authorized by the affirmative vote of three-fourths of the voting power of the members given either in writing or at a meeting of the members duly called for that purpose; provided, however, that the Board of Directors may mortgage or pledge all of the property and assets of the corporation to finance the purchase of the land upon which the project is constructed if authorized by the affirmative vote of three-fourths of the voting power of the members present at a meeting called for that purpose at which a quorum shall be present. However, no consent of the members shall be required in connection with any refinancing if (a) the holder of any obligation secured by property of the corporation shall have the right to refinance under the terms of any lawfully executed deed or contract of the corporation; or (b) the action will not result in any increase in the total mortgage or deed of trust indebtedness against the property of the corporation or the payments required thereunder.

15. Other than his belief that a co-op would increase the number of area residents, Mr. Condrell's letter did not cite any other factors that would suggest the Space should be construed as "all of the property and assets of the corporation." Curiously, Mr. Condrell and the majority of the Board did not cite, refer to or choose to rely on Bylaw 29 of the WEI bylaws in determining how the vote on the proposed sale should be construed. That provision, which provides that matters that come before the shareholders at a meeting properly called are to be decided by a simple majority of the voting power of the members attending the meeting, provides in full as follows:

> Vote Required. When a quorum is present at any meeting, the vote of a majority in voting power of the Members present in person or represented by proxy shall decide any question brought before such meeting, **unless the question is one upon which by express provision of statute**, or of the Certificate of Incorporation, or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. (emphasis added).

16. On January 22, 2004, a special meeting of the membership was held to vote upon the sale. According to a letter sent by Mr. Condrell to the members the day after the vote, the total membership voting power is 73,837 shares (the "January 23 Letter"). The January 23 Letter also indicated that a total of 61,963 shares attended the meeting, either in person or by proxy, thus more than twice exceeding the WEI quorum requirement of one-third of the total voting power required by Bylaw 28. Before putting the proposed sale to a vote at the meeting, Mr. Condrell again asserted that the Board would require a 75% vote by the entire voting membership (not just those present at the meeting in person or by proxy) before it deemed the sale to have been approved, despite the contrary advice received by the Board from both the long-time General Counsel of WEI, David H. Cox, Esquire, of the firm of Jackson & Campbell,

and the Special Counsel retained by the Board to deal with the MR proposal, Benny L. Kass, Esquire, of the firm Kass, Mitek & Kass. These opinions were cited to the Board prior to and at the meeting but were ignored by the defendants. In due course a motion was made to approve the proposed sale, the question was called and the members at the meeting in person or by proxy then voted by written ballot.

17. When the voting was completed the General Manager and an auditor used a computer to tabulate the votes in about 30 minutes. According to the January 23 Letter, the voting was as follows:

* 33,428 votes in favor of the sale (i.e., 53.9% of votes present and voting).

* 28,535 votes opposed to the sale (i.e., 46.1% of votes present and voting).

Thus, although the members voting for the proposal only constituted 45.3% of the total voting power of the membership, their vote in favor of the sale constituted a simple majority -- 54% -- of those attending the meeting in person or by proxy. Pursuant to Bylaw 29, that vote was sufficient to constitute approval of the sale.

18. Nevertheless, after the votes were tabulated, Mr. Condrell announced that the sale had not been approved despite the majority of members voting in favor of it because of his mistaken belief that the super majority provisions of Article Eighth applied and because of the failure of the proposal to achieve 75% of the vote of the entire voting power of the WEI membership.

19. Mr. Condrell reiterated in the January 23 Letter that a three-fourths vote of the entire membership was required to approve the proposal, and that because the measure fell short by 21,950 votes, "Watergate East has voted to **decline** the Monument offer" (emphasis in

original). In a subsequent letter dated January 26, 2004, Mr. Condrell also stated that abstentions and absent votes would be regarded as "no" votes in the light of his announcement before the vote that approval by three-fourths of the entire voting membership was required. Again, Mr. Condrell offered no additional support for why a three-fourths vote requirement should apply. To the extent that this unfounded super-majority requirement was based upon Section 271 of the Delaware Corporation Law, no aspects of Section 271 should have applied to the transaction at issue because the sale of the Space to MR in no way involved "all or substantially all" of the assets of WEI.

CLAIMS FOR RELIEF

COUNT I
(Plaintiff's Claim under 8. Del. C. § 225(b)

20. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 19 as if fully set forth herein.

21. The WEI Board's application of the supermajority requirement from Article Eighth of the WEI Charter and/or Section 271 of the General Corporation Law at the Special Meeting of the Members was improper because that Article and statutory provision only apply to a sale of "all" or "substantially all" of the Company's assets and the Space does not constitute "all" or "substantially all" of the Company's assets.

22. By failing to apply Bylaw 29 in tabulating the vote of the members on the Sale, the Board thwarted the will of the majority of the stockholders in favor of a minority of the stockholders, which included themselves, in direct contravention of Bylaw 29 and well-settled Delaware law.

23. The Board's failure to declare that the sale had been approved by the members at the meeting on January 22, 2004 was improper and without legal effect.

24. Plaintiffs, as members of WEI, are aggrieved by the Board's and the President's failure to declare that WEI, as an entity, approved the sale of the Space.

25. Defendants' continued refusal to give effect to the will of the majority of members who cast their votes, including, for example, their presentation to the ANC on January 27, 2004, is wrongful, a breach of their fiduciary duty to the members of WEI and threatens imminent harm to WEI. Their persistent efforts to block the sale of the Space on terms that a majority of the voting members of WEI believe is highly favorable and, in fact, is highly favorable to WEI, should be enjoined.

26. Plaintiffs have no adequate remedy at law.

27. Accordingly, plaintiffs are entitled to

(a) a determination pursuant to 8 Del. C. § 225(b) that the sale of the Space was validly approved by the members of WEI on January 22, 2004 and that this approval is binding on WEI and its Board,

(b) a declaration that the sale of the Space is not a sale of all or substantially all of WEI's assets under 8 Del. C. § 271 or WEI's charter or bylaws, and

(c) injunctive relief to restrain Defendants from asserting that the sale was not approved and to direct the appropriate officers of WEI to negotiate in good faith and execute and deliver to MR the agreements that will enable MR to buy the Space and entitle WEI to the payments promised by MR.

WHEREFORE, plaintiffs pray for the following relief:

A. Shorten the time within which defendants must serve and file an answer to this Complaint;

B. Appoint a special process server to expedite service of the legal process in this action;

C. Set a prompt hearing date on the merits;

D. Expedite the within proceedings;

E. Pending resolution of this matter, temporarily restrain and preliminarily enjoin WEI and its agents, employees and representatives from taking any action to destroy the evidence of the call of, and the outcome of the votes cast at the special meeting of members on January 22, 2004;

F. Pending resolution of this matter, temporarily restrain and preliminarily enjoin each of the defendants from taking any action with respect to the ownership or use of the Space without first providing plaintiffs with notice of such action at least five business days in advance thereof;

G. Forthwith and summarily declare that the proposed sale of the Space at the special meeting of the members on January 22, 2004 was validly adopted and approved by the members present in person or by valid proxy at the meeting and that neither a vote of three-fourths of the total voting power of the Company's members nor the affirmative vote of a majority of the total voting power was required to adopt and approve the sale;

H. Forthwith enjoin each of the Defendants from making any public statement or taking any action in his or her capacity as a Director of WEI to indicate that WEI

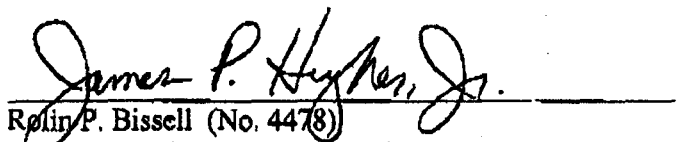
did not approve the proposal of MR, and to direct them to negotiate in good faith to conclude the sale contract with MR and to execute and deliver the signed contract to MR;

I. Declare that the sale of the Space is not a sale of all or substantially all of the assets of WEI under 8 Del. C. § 271 or WEI's charter or bylaws.

J. Award plaintiff the costs and disbursements of this action, including reasonable attorney's fees; and

K. Grant plaintiffs such other relief as this Court deems just and appropriate.

YOUNG CONAWAY STARGATT & TAYLOR, LLP



Rolin P. Bissell (No. 4478)
James P. Hughes, Jr. (No. 3102)
John J. Paschetto (No. 3766)
The Brandywine Building
17th Floor
1000 West Street
Wilmington, Delaware 19801
(302) 571-6679

Attorneys for Plaintiffs

Dated: January 29, 2004

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN AND FOR NEW CASTLE COUNTY

JOHN BARING, DANIEL SHEENAN, JAMES THOMAS WARD, and AUDREY WOLF, Plaintiffs, v. WATERGATE EAST, INC., WILLIAM K. CONDRELL, JAMES W. LEWIS, ELIZABETH B. WOOD, JUDITH S. EATON, LESTER SCHLITZ, and CESAR CACERES Defendants.	)	C.A. No. _____

NOTICE OF MOTION FOR
APPOINTMENT OF SPECIAL PROCESS SERVER

TO: Watergate East, Inc.
c/o The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801

William K. Condrell
James W. Lewis
Elizabeth B. Wood
Judith S. Eaton
Lester Schlitz
Cesar Caceres
c/o Watergate East, Inc.
The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801

PLEASE TAKE NOTICE that the attached Motion for Appointment of Special Process Server will be presented at the earliest convenience of the Court and counsel.

YOUNG CONAWAY STARGATT & TAYLOR, LLP

James P. Hughes, Jr. (No. 3102)
The Brandywine Building
1000 West Street, 17th Floor
P.O. Box 391
Wilmington, Delaware 19899-0391
Telephone: (302) 571-6600
Attorneys for Plaintiffs

Dated: January 29, 2004

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN AND FOR NEW CASTLE COUNTY

JOHN BARING, DANIEL SHEENAN, JAMES THOMAS WARD, and AUDREY WOLF,	)	
Plaintiffs,	)	C.A. No. _____
v.	)	
WATERGATE EAST, INC., WILLIAM K. CONDRELL, JAMES W. LEWIS, ELIZABETH B. WOOD, JUDITH S. EATON, LESTER SCHLITZ, and CESAR CACERES	)	
Defendants.	)	

MOTION FOR APPOINTMENT OF SPECIAL PROCESS SERVER

Plaintiff hereby moves pursuant to Chancery Court Rule 4(a) and (c) for an Order appointing as a special process server Parcels, Inc., John Meyer, or any other employee of Young Conaway Stargatt & Taylor, LLP, over the age of 18 and who is not a party to this action, to effect service of process upon the defendant. The ground for this motion is that the appointment of a special process server will result in a material saving of time and expense in effecting service of process in this action.

The registered agent for service of process for the defendants is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801.

YOUNG CONAWAY STARGATT & TAYLOR, LLP

James P. Hughes, Jr. (No. 3102)
The Brandywine Building
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P.O. Box 391
Wilmington, Delaware 19899-0391
Telephone: (302) 571-6600
Attorneys for Plaintiffs

Dated: January 29, 2004

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN AND FOR NEW CASTLE COUNTY

JOHN BARING, DANIEL SHEENAN, JAMES THOMAS WARD, and AUDREY WOLF,	)	
Plaintiffs,	)	C.A. No. _____
v.	)	
WATERGATE EAST, INC., WILLIAM K. CONDRELL, JAMES W. LEWIS, ELIZABETH B. WOOD, JUDITH S. EATON, LESTER SCHLITZ, and CESAR CACERES	)	
Defendants.	)	

AFFIDAVIT OF JAMES P. HUGHES, JR.
IN SUPPORT OF PLAINTIFF'S MOTION FOR
APPOINTMENT OF A SPECIAL PROCESS SERVER

STATE OF DELAWARE)
)
NEW CASTLE COUNTY)

The undersigned, being duly sworn according to law, does hereby depose and say:

1. I am a member of the Bar of this Court and a partner with the law firm of Young Conaway Stargatt & Taylor, LLP, counsel to plaintiffs in the above-captioned action.

2. I make this affidavit in support of plaintiffs' motion, pursuant to Rules 4(a) and (c) of this Court, for the appointment of a special process server.

3. The appointment of a special process server will result in a material saving of time in effecting service of process in this action. In order to facilitate notice to defendants of the substance of plaintiffs' complaint, it is necessary that the complaint be served upon defendants Watergate East, Inc., William K. Condrell, James W. Lewis, Elizabeth B. Wood, Judith S. Eaton, Lester Schlitz, and Cesar Caceres as promptly as possible. The appointment of a special process server will permit such service.

James P. Hughes

SWORN TO AND SUBSCRIBED before me, this 29th day of January, 2004.

Notary Public

My Commission Expires: 3/20/05

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN AND FOR NEW CASTLE COUNTY

JOHN BARING, DANIEL SHEENAN, JAMES THOMAS WARD, and AUDREY WOLF,	)	
Plaintiffs,	)	C.A. No. _____
v.	)	
WATERGATE EAST, INC., WILLIAM K. CONDRELL, JAMES W. LEWIS, ELIZABETH B. WOOD, JUDITH S. EATON, LESTER SCHLITZ, and CESAR CACERES	)	
Defendants.	)	

ORDER APPOINTING SPECIAL PROCESS SERVER

This ____ day of January, 2004, the Court having been presented with plaintiff's motion, pursuant to Court of Chancery 4(a) and (c), for the appointment of a special process server,

IT IS HEREBY ORDERED as follows:

Parcels, Inc., John M. Meyer, or any other employee of Young Conaway Stargatt & Taylor, LLP over the age of 18 and who is not a party to this action, is hereby specially appointed pursuant to Court of Chancery Rules 4(a) and (c) and is directed to take such actions as may be necessary to effect prompt service of the Summons, the

Complaint, the aforementioned motion of plaintiffs and a copy of this Order upon defendants and to make the return of service promptly upon completion of service of process.

Vice Chancellor

YOUNG CONAWAY STARGATT & TAYLOR, LLP

BRUCE M. STARGATT
IRA T. CASTLE
SHELDON N. SANDLER
RICHARD A. LEVINE
RICHARD A. ZAPPA
FREDERICK W. IOBST
RICHARD H. MORSE
DAVID C. MCBRIDE
JOSEPH M. NICHOLSON
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CRAIG D. GREAR
TIMOTHY JAY HOUSEAL
BRENDAN LINEHAN SHANNON
MARTIN S. LESSNER
PAULINE K. MORGAN
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January 29, 2004

BY LEXISNEXIS FILE & SERVE
The Honorable Sam Glasscock, III
Court of Chancery
New Castle County Courthouse
500 North King Street, Suite 11400
Wilmington, DE 19801

Re: Baring v. Watergate East, Inc.

Dear Master Glasscock:

Today, January 29, 2004, we filed a complaint on behalf of our clients, John Baring, Daniel Sheenan, James Thomas Ward and Audrey Wolf, in the captioned matter. Enclosed for the Court's consideration is a Motion for Appointment of Special Process Server, including a supporting Affidavit and proposed Order. We would like to effect service as soon as possible. If the Court finds the relief requested to be appropriate, we would respectfully request entry of the Order at the earliest opportunity.

Respectfully submitted,

James P. Hughes, Jr.

James P. Hughes, Jr. (No. 3102)

JPH:jm

WP3:967716.1

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January 29, 2004

BY LEXISNEXIS FILE & SERVE
The Honorable Dianne M. Kempski
Register in Chancery
New Castle County Courthouse
500 North King Street
Wilmington, DE 19801

Re: Baring v. Watergate East, Inc.

Dear Ms. Kempski:

Today, January 29, 2004, we filed a complaint on behalf of our clients, John Baring, Daniel Sheenan, James Thomas Ward and Audrey Wolf, in the captioned matter, along with a Motion for Special Process Server (including a transmittal letter to Master Glasscock).

Once a special process server is appointed, we will be making service upon defendant Watergate East, Inc., by serving The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801. We respectfully request that your office prepare summonses for service upon the registered agent at the earliest opportunity.

We will also be making service upon defendants William K. Condrell, James W. Lewis, Elizabeth B. Wood, Judith S. Eaton, Lester Schlitz, and Cesar Caceres, directors of Watergate East, Inc., pursuant to 10 DEL. C. § 3114 by serving Watergate East, Inc.'s registered agent in Delaware, The Corporation Trust Company. We respectfully request that your office prepare summonses for service upon the registered agent at the earliest opportunity.

We are available at your convenience if there are any questions.

Respectfully submitted,

James P. Hughes, Jr.

James P. Hughes, Jr. (No. 3102)

JPH:jm

White, Karen

From: LexisNexis File and Serve [efile@fileandserve.lexisnexis.com]
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Court: DE Court of Chancery
Case Name: Baring, John v. Watergate East, Inc.
Case Number: unassigned
Filing ID: 3033812
Document Title(s):
Complaint Pursuant To 8 Del C Section 225(b) For Determination Of Vote Of Members
Supplemental Information Pursuant To Rule 3(a) Of The Rules Of The Court Of Chancery
Notice Of Motion For Appointment Of Special Process Server
Motion For Appointment Of Special Process Server
Affidavit Of James P Hughes Jr In Support Of Plaintiffs Motion For Appointment Of A Special Process Server
Proposed Order Appointing Special Process Server
Letter To Master Glasscock From James P Hughes Jr Regarding Motion For Appointment Of Special Process Server
Letter To Ms. Kempski From James P Hughes Jr Regarding Special Process Server
Authorized Date/Time: Jan 29 2004 12:41PM ET
Authorizing Attorney: James P Hughes
Authorizing Attorney Firm: Young Conaway Stargatt & Taylor LLP-Wilmington
Filing Parties:
Baring, John
Sheenan, Daniel
Ward, James Thomas
Wolf, Audrey

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Filing ID: 3033812
Filed by: White, Karen
Young Conaway Stargatt & Taylor LLP-Wilmington
Authorized by: Hughes, James P
Young Conaway Stargatt & Taylor LLP-Wilmington
Filing Option: Originating Event
Authorized: Jan 29 2004 12:41PM EST
Court: DE Court of Chancery
Division/Courtroom: N/A
Case Class: Civil Action
Case Type: Declaratory Judgment
Case Number:
Case Name: Baring, John v. Watergate East, Inc.

Documents List

Conversion Status	Linked Docs	Filing Type	Document Title	Document ID	Main/Supporting	Access Type	Filing Fee	Pages	Original File
Converted		Complaint with 3 or More Defendants	Complaint Pursuant To 8 Del C Section 225(b) For Determination Of Vote Of Members	3343436	Main	Public	$450.50	14	
Converted		Case Information Statement	Supplemental Information Pursuant To Rule 3 (a) Of The Rules Of The Court Of Chancery	3343617	3343436	Public	$0.50	1	
Converted		Notice	Notice Of Motion For Appointment Of Special Process Server	3343679	Main	Public	$0.50	2	
Converted		Motion	Motion For Appointment Of Special Process Server	3343695	3343679	Public	$0.50	2	
Converted		Affidavit	Affidavit Of James P Hughes Jr In Support Of Plaintiffs Motion For Appointment Of A Special Process Server	3343714	3343679	Public	$0.50	2	
Converted		Proposed Order for Default Judgment	Proposed Order Appointing Special Process Server	3343763	3343679	Public	$0.50	2	
Converted		Letter	Letter To Master Glasscock From James P Hughes Jr Regarding Motion For Appointment Of Special Process Server	3343781	Main	Public	$0.50	1	
Converted		Letter	Letter To Ms. Kempski From James P Hughes Jr Regarding Special Process Server	3343808	Main	Public	$0.50	2	

Billing Reference: 99999.1154 (WEI)

[redacted] [redacted] [redacted] View All