

# Wilkes Artis

# Attachment A

Robert R. Harris  
301.215.6607  
rharris@wilkesartis.com

Chartered  
Attorneys at Law

Suite 800, 3 Bethesda Metro Center  
Bethesda, MD 20814-6301  
301.654.7800  
Fax: 301.656.3978

## MEMORANDUM

### REVISED

#### By Facsimile

**TO:** Malcolm Shaneman

**FROM:** Robert R. Harris  
Stacy P. Silber

**DATE:** December 28, 2000

**RE:** Friendship Commons (GEICO) – Preliminary Plan No. [REDACTED]  
Extension Request

As you are preparing your recommendation to the Planning Board for the January 4, 2001 hearing, I want to make sure you understand the importance of this request both in terms of timing (i.e. 18 months before expiration) and duration (i.e. 3 years). This memo summarizes those reasons. Please let me know if you have any questions about this request.

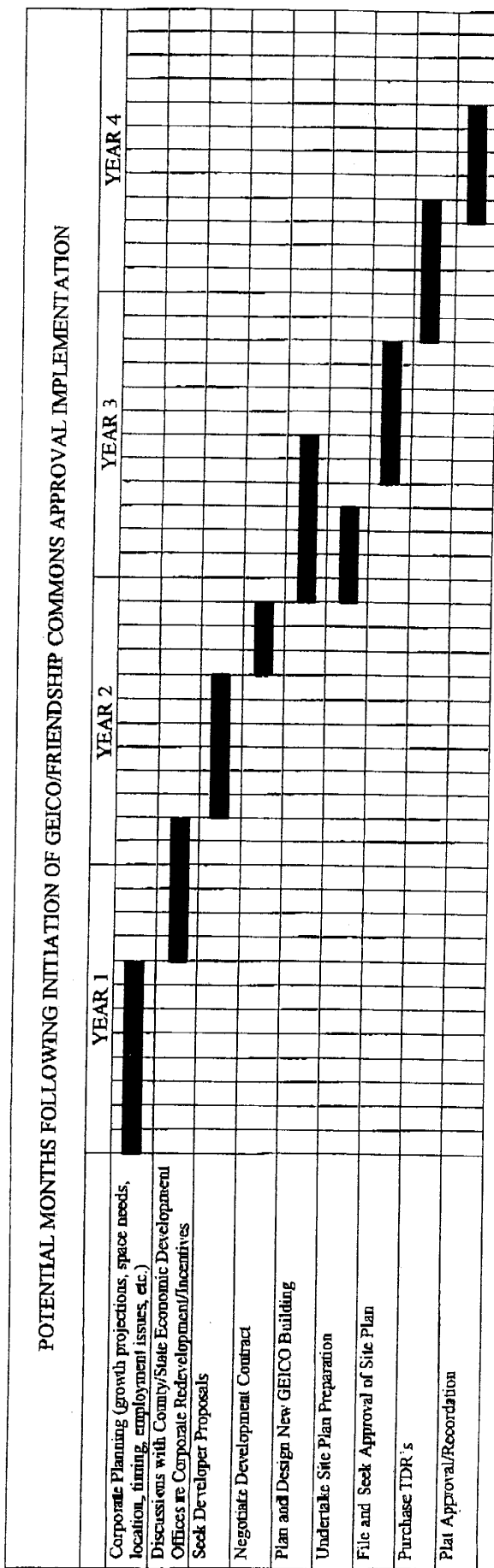
1. GEICO currently occupies the property, commonly known as Friendship Commons. A move of its employees to a new building on the Friendship Commons site is a major undertaking. Adding to the difficulty of this relocation is not only finding a building, and/or constructing one, to meet the long-term needs of the company, but this decision will also impact thousands of GEICO employees and contractors. This most serious and wide-reaching decision can only be made at the proper time and under certain circumstances. The attached timeline shows the implementation tasks that have to be met once the decision to develop/relocate has been made.
2. GEICO owns the Property, but, as an insurance company, it will not be the developer of the site. It cannot contract with a development firm, until it decides on its own office requirements.
3. The underlying development approvals require significant physical, and monetary requirements as pre-requisites to recordation of subdivision plats. The completion of these prerequisites, hinges on the identification of a developer, and space planning for GEICO itself. The prerequisites to plat recordation include:
  - (a) The purchase of nearly 100 TDRs with an investment of approximately \$1 million;
  - (b) Dedication of significant portions of the Property, including existing parking, access and other areas which conflict with ongoing operations on the site.

## *Wilkes Artis*

Memorandum to Malcolm Shaneman  
December 28, 2000  
Page 2

4. Sector Plan and Preliminary Plan requirements mandate complete demolition of the building before proceeding. This also can not occur until a new GEICO facility, and subsequently a developer is identified.
5. Once GEICO proceeds, the planning and approval process could take nearly 4 years to complete.
6. Because all of the above requirements must occur prior to the expiration of the validity period, a full three year extension (to January 13, 2005) is requested.

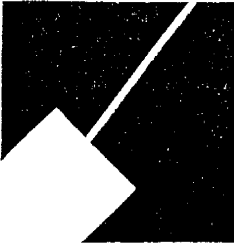
cc: Mr. Stephen J. Martz



NOTE: Timeline begins at such time as GEICO is prepared to proceed with a new headquarters and with redevelopment of existing site.

03480.055  
#221798

M-NCPPC



MONTGOMERY COUNTY DEPARTMENT OF PARK AND PLANNING

Attachment B

THE MARYLAND-NATIONAL CAPITAL  
PARK AND PLANNING COMMISSION

8787 Georgia Avenue  
Silver Spring, Maryland 20910-3760

January 23, 2001

Government Employees Insurance Company  
GEICO Plaza  
5260 Western Avenue  
Chevy Chase, MD 20815

Preliminary Plan No. 1-99039E

Request for an extension of the validity date for the **FRIENDSHIP COMMONS (GEICO)**

This is to inform you that the Montgomery County Planning Board considered your request for an extension to the validity period of the above-mentioned plan at its regularly scheduled meeting of **January 4, 2001**. At that time, the Planning Board voted 3-0 to grant an extension to **June 13, 2005**. (Commissioner Holmes made the motion; Commissioner Bryant seconded; Commissioners Bryant, Holmes, and Hussmann voted in favor; Commissioner Perdue and Wellington absent)

Please give me a call at 301/495-4587 if you have any questions concerning this Planning Board action.

Sincerely,

A handwritten signature in black ink, appearing to read "Malcolm Shaneman".

A. Malcolm Shaneman  
Development Review Division

cc: Dewberry and Davis  
Wilkes, Artis, Hendricks & Lane

October 13, 2004

Robert R. Harris  
301 215 6607  
robert.harris@hklaw.com

VIA HAND DELIVERY

Mr. Derick Berlage  
Chairman, Montgomery County Planning Board  
8787 Georgia Avenue  
Silver Spring, Maryland 20910

Re: Preliminary Plan 1-99039  
Request for Extension

Dear Chairman Berlage:

On behalf of Government Employees Insurance Company ("GEICO"), we are requesting an additional extension to the above-referenced Preliminary Plan. The Plan was originally approved by an Opinion dated May 13, 1999 and subsequently extended to June 13, 2005 by action of the Planning Board (letter dated January 23, 2001). Due to circumstances beyond GEICO's control, GEICO submits the attached request for a further extension of the Preliminary Plan to June 13, 2009 (a four year extension).

BACKGROUND

The property subject to the Preliminary Plan is currently the location of GEICO's national headquarters, and has been since 1957. As a result, GEICO is one of the oldest corporate headquarters in Montgomery County, employing more than 1,800 people in the County and contributing significantly to the County's tax base. The corporate headquarters includes significant technological resources, as well as corporate offices and documents.

After working with M-NCPPC Staff and the community for over ten years, GEICO developed plans for a new headquarters facility on the site, along with residential elements to make better use of property so close to the Metro. The plans call for complete redevelopment of the property, including demolition of the existing headquarters facility. The 1997 Friendship Heights Sector Plan, and subsequently, a 1998 rezoning action and the 1999 Preliminary Plan memorialized the new development. Through this lengthy course of action, GEICO has spent extensive time and considerable funds in order to position this property for development consistent with the County's land use objectives, including the explicit provisions of the Friendship Heights CBD Sector Plan. Additionally, M-NCPPC Staff and the local community have been heavily involved in all aspects of this project and have invested substantial time and effort in the development of the plan.

The Preliminary Plan includes 500 residential units, consisting of 300 multi-family and 200 single-family attached, and 810,000 square feet of office space (inclusive of reconstruction of the existing 500,000 square foot plus headquarters building), as well as the dedication of parkland, a greenway, a ballfield and participation in several traffic improvements in the immediate area (by virtue of the requirements of the participation agreement, these improvements will be funded prior to any development of the GEICO site). Because the existing headquarters building is essentially in the center of the Property, and the building's parking takes up the surrounding area, the headquarters will have to be demolished and activities relocated before the new project can proceed.

In 2000, GEICO petitioned the Planning Board for, and was granted, a two year extension of the validity period for the Preliminary Plan based on the special circumstances surrounding the development, namely, the unique nature of the development program and of the property owner. However, since that time, circumstances have not changed, they have only been exacerbated, and GEICO is not in a position to validate its plan within the next nine months.

#### GROUNDS FOR EXTENSION

An extension must be submitted to the Planning Board and Technical Staff in writing prior to the expiration of the existing Preliminary Plan validity period. The Preliminary Plan expires June 13, 2005; therefore this request is timely submitted.

The Planning Board may grant an extension of the Preliminary Plan validity period upon a finding that

- i. delays, subsequent to the plan approval by the government or some other party, essential to the applicant's ability to perform terms or conditions of the plan approval, have materially prevented applicant from validating the plan, provided such delays are not created or facilitated by the applicant, or
- ii. the occurrence of significant, unusual or unanticipated events, beyond applicant's control and not facilitated or created by applicant, have substantially impaired applicant's ability to validate its plan and that exceptional or undue hardship (as evidenced, in part, by the efforts undertaken by applicant to implement the terms and conditions of the plan approval in order to validate its plan) would result to applicant if the plan were not extended. Mont. Co. Code Section 50-35(h)(3)(d).

In this instance, circumstances beyond GEICO's control have had a significant impact on its ability to move forward with the Site Planning process required to validate the Preliminary Plan.

First, GEICO is not in the real estate business and does not have the requisite expertise to plan and execute the elements required by the Preliminary Plan. Therefore, before development may proceed and Site Plans and Record Plats submitted, GEICO must enter into an agreement with a

Mr. Derick Berlage

Page 3

October 13, 2004

developer to construct its new headquarters facility, as well as constructing, selling and/or operating the other office component and residential elements of the proposal. However, GEICO has not been able to enter into such an agreement in a manner that respects its need for a seamless transfer of headquarters activities from one building to another. (As the Board can appreciate, with a company of this size the logistics of transferring operations to another building are extremely sensitive and complex. Other corporations relocate to new sites, allowing a continuous operations, but GEICO hopes to remain in Friendship Heights.) Since the 1999 plan was approved, the Montgomery County GEICO Headquarters has planned and implemented new regional offices in numerous locations. In addition, the IT Headquarters Staff and local consultants are leading the effort to incorporate the internet as the primary vehicle for the insurance business because GEICO has determined that the internet is the primary method for customer contact and satisfaction (as has already happened with travel, investments, and banking). These growth and IT challenges must be the primary focus of the headquarters. Thus, planning, building and moving the headquarters facility would be an unacceptable business risk in the immediate future.

Once the headquarters planning process is complete, the site planning process will require the assistance of a developer and/or interested party due to the detailed residential plans which would be required at Site Plan and the lot locations required for the Record Plat, as well purchase of the TDRs necessary for future development (required at Record Plat). A developer or team of developers with the appropriate expertise must be identified with such varied experience and ability to handle a project of this magnitude, before GEICO can move forward with implementation of the Preliminary Plan. All of these elements are outside the control of Applicant.

Second, there is already considerable construction occurring in the area surrounding GEICO's property. The Chevy Chase Center is currently at the beginning of a multi-year construction schedule and the Hecht's site is scheduled to begin its own multi-year construction project in the immediate future. Deferring GEICO's construction until later helps avoid compound impacts from multiple projects. Both projects are independent of this Preliminary Plan and cannot meaningfully be coordinated with any future activity on the GEICO site. We submit that extending the Preliminary Plan would allow the community, and anyone traveling through the area, the advantage of staggering the approved developments.

Third, GEICO has recently been allowed entry into the insurance market in New Jersey, an extremely complicated and time-consuming process that demands the focus of its leadership. Without an extension of the Preliminary Plan, both the expansion into New Jersey and the validation process would suffer.

Finally, if the Plan is permitted to expire, there will be exceptional and undue hardship as a result. GEICO, the Board's Technical Staff and the community worked on variations of this Plan for over a decade, resulting in a compromise that takes advantage of the proximity to Metro and provides valuable amenities to the community. If the Plan were to expire, these efforts would be in vain and the amenities – the parkland and ballfields – would no longer be a realistic vision for the future of Friendship Heights.

Mr. Derick Berlage

Page 4

October 13, 2004

With the possible exception of redevelopment in the District of Columbia, there are no other developments in the queue which are impacted by the preservation of this approval. Even before the Policy Area Review element of the Adequate Public Facilities Ordinance was abolished by the County Council, there was no development in moratorium based on development of the GEICO site. Currently, the Friendship Heights area is nearly completely built-out, particularly with both the Chevy Chase Center and Hecht's sites under construction, and any new development would involve the re-use of existing density.

### CONCLUSION

This Preliminary Plan has all the elements of a successful project with substantial benefits to the community. However, because the site houses GEICO's national headquarters the implementation of the project is made more complex and must provide for GEICO's long-term needs. Due to the nature of its business, as described above, GEICO is not in a position to plan for the new headquarters facility and the logistics of the transfer. Moreover, the existing activity in the immediate area, it would be beneficial for GEICO to delay the commencement of construction for a period of time. Finally, a very specific coordination between the owner and the developer is required for this complex redevelopment, but the opportunity has not presented itself. Consequently, we request a four year extension of the Preliminary Plan to allow additional time for the company to secure such a contract. This extension will not affect the underlying adequate public facilities period which expires in 2011.

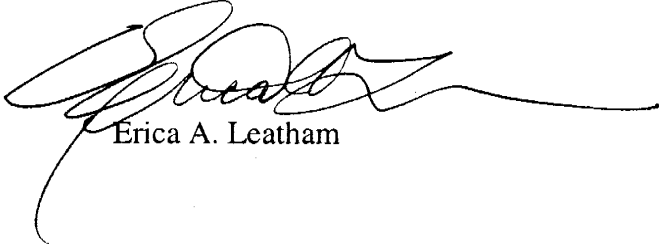
Thank you for your consideration of this matter.

Sincerely yours,

HOLLAND & KNIGHT-LLP



Robert R. Harris



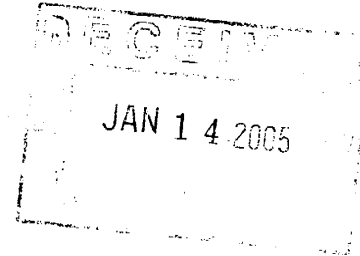
Erica A. Leatham

cc: Mr. Steven Martz



January 12, 2005

Robert R. Harris  
301 215 6607  
robert.harris@hklaw.com



Mr. Richard Weaver  
Maryland-National Capital Park and Planning Commission  
8787 Georgia Avenue  
Silver Spring, Maryland 20910

Re: Preliminary Plan 1-99039  
Extension Request

Dear Mr. Weaver:

In October, on behalf of GEICO we submitted a request for an extension of the validity period for the above-referenced Preliminary Plan. The APFO determination for this project is valid until May, 2011 and we are seeking an extension of the Preliminary Plan until June, 2009, (a four year extension from the existing validity period). Since filing our extension request, we have had the opportunity to discuss the extension with the interested community groups and have responded to the requests they made with respect to this extension. Based on these discussions we are aware of no opposition to this request.

The extension is controlled by Section 50-35(h)(3)(d) of the Montgomery County Code, which requires a finding by the Planning Board that

- i. delays, subsequent to the plan approval by the government or some other party, essential to the applicant's ability to perform terms or conditions of the plan approval, have materially prevented applicant from validating the plan, provided such delays are not created or facilitated by the applicant, or
- ii. the occurrence of significant, unusual or unanticipated events, beyond applicant's control and not facilitated or created by applicant, have substantially impaired applicant's ability to validate its plan and that exceptional or undue hardship (as evidenced, in part, by the efforts undertaken by applicant to implement the terms and conditions of the plan approval in order to validate its plan) would result to applicant if the plan were not extended.

Mr. Richard Weaver

Page 2

January 12, 2005

In this case, the Preliminary Plan approval (and previous Local Map Amendment) was the result of extensive discussions with the local community, as well as Technical Staff, and the subject of thorough review by both the Planning Board and the District Council. The other two other major properties in Friendship Heights, Chevy Chase Center and the Hecht Company site (now known as the New England Development project), were subject to the same extensive processes. As a result, the three mixed use projects in Friendship Heights are examples of goal-oriented development, conceived through a collaborative process, which contribute to the community and beyond. GEICO's project, Friendship Commons, will add significant green space in the area (an enlargement of Brookdale Park and the "Greenway") and a ball field for community use, among other amenities, as well as adding a significant number of dwelling units (including affordable units) to this important Metro-oriented area.

The Friendship Heights Sector Plan provides no phasing plan for these three projects. The community, however, has always maintained that all three projects should not be under construction simultaneously because of the potential cumulative impact of the construction. Currently, the Chevy Chase Center is under construction and New England Development has now begun its project and is expected to be under construction until 2008.

As detailed in GEICO'S request for an extension of its Preliminary Plan, GEICO diligently pursued the necessary rezoning for its property recommended in the Friendship Heights Sector Plan and then promptly proceeded with the Subdivision approval process. Nevertheless, this property presents a unique situation because it is a functioning headquarters for a large national corporation and the entire property is occupied by those operations today. Moreover, GEICO is not a developer and does not plan to be the party who redevelops this property into the proposed mix of office and residential space. Therefore, it first requires a developer capable of constructing a new headquarters facility for GEICO in a manner that will not impact the on-going operations of the headquarters facility. Either that developer, or a second developer operating in conjunction with the office developer, then needs to plan for the residential development so that the property can be developed in an efficient manner.

As GEICO began entertaining expressions of interest from such parties, both the Chevy Chase Land Company and New England Development actively undertook efforts to develop their respective properties. Given the circumstances and events which must occur before GEICO can proceed, GEICO acknowledged the reality that those projects would proceed first and has respected the community's desire that construction of these three projects be sequenced to the greatest extent possible to avoid parking, traffic, construction, lane closure and other problems in Friendship Heights.

The ability of the other two projects to proceed, causing GEICO to delay its project, has been beyond GEICO's control and was not facilitated or created by GEICO. The sequence has substantially affected GEICO's ability to validate its plan. Given the substantial cost and effort expended not only by GEICO but by the community, the Planning Board and its Staff, and the public at large, exceptional or undue hardship would result if this plan were not extended. The

Mr. Richard Weaver

Page 3

January 12, 2005

community would lose the green space, ball fields and housing anticipated by the master plan and GEICO would lose its ability to construct a new headquarters.

With the possible exception of redevelopment in the District of Columbia, there are no other developments in the queue which are impacted by the preservation of this approval. Even before the Policy Area Review element of the Adequate Public Facilities Ordinance was abolished by the County Council, there was no development in moratorium based on development of the GEICO site. Currently, the Friendship Heights area is nearly completely built-out, particularly with both the Chevy Chase Center and Hecht's sites under construction, and any new development would involve the re-use of existing density.

Thank you for your consideration of this matter.

Sincerely yours,

HOLLAND & KNIGHT LLP



Robert R. Harris



Erica A. Leatham

cc: Mr. Steven Martz  
Tariq El Baba, Esquire

# 2503353\_v1

Robert R. Harris  
301 215 6607  
robert.harris@hklaw.com

Erica A. Leatham  
301.664.7620  
erica.leatham@hklaw.com

April 6, 2005

VIA FAX AND FIRST CLASS MAIL

Ms. Catherine Conlon  
Mr. Richard Weaver  
Development Review Division  
Maryland-National Capital Park and Planning Commission  
8787 Georgia Avenue  
Silver Spring, Maryland 20910

Re: Preliminary Plan No. 1-99039; Friendship Commons  
Extension Request

Dear Ms. Conlon and Mr. Weaver:

Please accept this letter as a supplement to our October 13, 2004 and January 12, 2005 letters requesting an extension of the above-referenced Preliminary Plan of Subdivision. As noted in the earlier correspondence, on behalf of Government Employees Insurance Company ("GEICO"), we are requesting a four year extension of the validity period. Our previous letters set forth the basic elements of the request, including the response to the legal standards in Section 50-35(3) of the Montgomery County Code. To help you prepare for the Planning Board review, we want to elaborate on certain elements.

First, in order to begin development of the property, GEICO must engage a developer with the requisite expertise and resources to (1) determine a way in which to begin development of the office component in advance of the residential element and (2) maintain the existing office building, with parking, during the initial construction. To date, despite a number of expressions of interest, no such developer has been identified. As you are aware, the existing building houses GEICO's national headquarters, including technology infrastructure. It is critical to the functioning of the business that there be no disruption to services while the property is redeveloped. Therefore, GEICO requires the future developer to construct a new office building for GEICO's use during the first phase of development to allow GEICO to transfer its operations before any residential development, all while maintaining the existing building in operable condition. However, due to market conditions, the proposals GEICO has reviewed have the residential component as the first phase and call for demolition of the existing headquarters building to accommodate the residential uses. Because no entity has presented itself as able to

Ms. Cathy Conlon

April 6, 2005

Page 2

meet GEICO's requirements, there has been a delay "essential to the applicant's ability to perform terms or conditions of the plan approval [which has] materially prevented applicant from validating the plan." These delays were not created by the applicant inasmuch as they represent basic prerequisites for action.

Second, GEICO has undergone a significant shift in its business plan, shifting from a telephone based service to an internet based provider. In addition, GEICO has begun to enter new markets, which both changes the headquarters' programmatic needs and focuses certain resources elsewhere.<sup>1</sup> This shift, undertaken as a result of factors far removed from the scope of the development approval process, has altered the original program requirements for the new headquarters building and shifted the company's focus, although it remains committed to redevelopment of the property.

Finally, of the three major projects approved for the Friendship Heights area, two are currently in the construction phase. The community, though supportive of the Friendship Commons development proposed for the GEICO site, has expressed a desire for GEICO to delay construction of its site until the majority of the construction at the other two sites has subsided. The timing of the other construction activities, as well as the community's feelings with respect to the timing of future development, was unknown to GEICO at the time of the previous extension request and is well beyond GEICO's control.

The confluence of these events represents the "occurrence of significant, unusual and unanticipated events" which have impaired GEICO's ability to implement its plan. Although GEICO embarked deliberately on changes to its business plan, the decision has little relation to the standards in the Subdivision Ordinance with respect to events beyond the applicant's control – GEICO has not taken overt actions to delay validation of its plan as prohibited by the Code. Rather, GEICO has continued to operate its insurance business while reviewing offers for redevelopment action. However, none of the proposals has been able to meet the necessary requirements. In the meantime, significant construction in the area is already underway and GEICO does not want to jeopardize its relationship with the community by beginning construction activities.

If the plan were not extended, undue hardship would result. As noted in the previous correspondence, the Preliminary Plan was the result of intense collaboration between Staff, the community and applicant. In fact, the community continues to support the project and the requested four year extension. The resulting ballfield, park and "greenway" provide benefits to the community that would be lost if the plan were to expire. Moreover, GEICO and the community have maintained a discourse over current and future use of the site in anticipation of the ultimate redevelopment.

---

<sup>1</sup> For example, GEICO recently re-entered the insurance market in New Jersey. In addition to the licensing, underwriting and advertising issues, entering a new market requires extensive research, particularly where, as in New Jersey, the legislature recently changed the law to regulate insurers and insurance fraud.

Ms. Cathy Conlon

April 6, 2005

Page 3

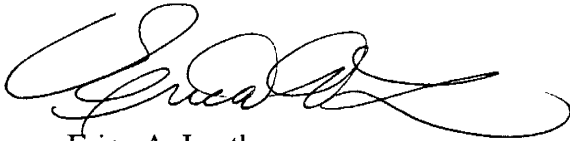
We appreciate the opportunity to elaborate on these matters. Please do not hesitate to contact us if you need any additional information.

Sincerely yours,

HOLLAND & KNIGHT LLP

A handwritten signature in black ink, appearing to read "Robert R. Harris", written in a cursive style.

Robert R. Harris

A handwritten signature in black ink, appearing to read "Erica A. Leatham", written in a cursive style.

Erica A. Leatham

cc: Tariq el-Baba, Esquire

# 2736288\_v1



VILLAGE OF FRIENDSHIP HEIGHTS

VILLAGE COUNCIL

MELANIE ROSE WHITE, Mayor  
FRANCIS R. VALEO, Chairman  
MAURICE J. TREBACH, Vice Chairman  
ELIZABETH DEMETRA HARRIS, Secretary  
ALVAN M. MORRIS, D.D.S., Treasurer  
ROBERT M. SCHWARZBART, Parliamentarian  
LEONARD E. MUDD, Historian  
JULIAN P. MANSFIELD, Village Manager  
LESLIE STRATHMANN, Village Manager 1987-1996

4433 SOUTH PARK AVENUE  
CHEVY CHASE, MARYLAND 20815  
(301) 656-2797  
FAX (301) 907-3922



March 21, 2005

Mr. Stephen Martz  
Assistant Vice President  
GEICO  
5260 Western Avenue  
Chevy Chase, MD 20815

Re: Friendship Commons Extension Request

Dear Mr. Martz:

On behalf of the Friendship Heights Village Council, I am writing to express our support for the requested four-year extension of the Preliminary Plan for redevelopment of GEICO Plaza. The Village has worked closely with you and the Technical Staff for the Montgomery County Planning Board during the planning process leading to approval of the Preliminary Plan and does not want to abandon the project if GEICO is not in the position to move forward with the redevelopment at this time. In addition, the Village does not believe that a third major construction project underway in the Friendship Heights area is beneficial to the community and is, therefore, pleased that GEICO has not commenced construction at this time.

Thank you for keeping us informed of your progress. If you need any additional material, please do not hesitate to contact our Village Manager, Julian Mansfield, at 301-656-2797.

Sincerely,

FOR THE COUNCIL

*Melanie Rose White*

Melanie Rose White  
Mayor



**Robert L. Cope**  
**5017 Brookdale Road**  
**Bethesda, Maryland 20816**  
**Home (301) 654-7891**  
**Office (202) 296-2900**

January 26, 2005

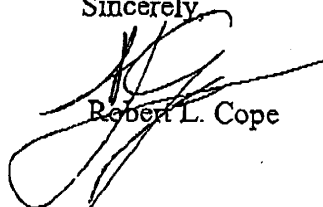
Ms Erica A. Leatham  
Holland & Knight LLP  
Suite 800  
3 Bethesda Metro Center  
Bethesda, Maryland 20814

Dear Erica:

Enclosed is the GEICO letter which we have signed. As we discussed, we have signed this letter with the understanding that the support of CCCFH is for the present extension only and should not be construed as support for additional extensions in the future. CCCFH reserves the right to oppose any future extensions. Also, the support of CCCFH should not be construed in any way as supporting any site plan that might later be filed by GEICO since CCCFH has not had the opportunity to review the site plan.

With this understanding, we appreciate the opportunity to work with you on this matter.

Sincerely,



Robert L. Cope

Enclosure



- Government Employees Insurance Company
- GEICO General Insurance Company
- GEICO Indemnity Company
- GEICO Casualty Company

ONE GEICO PLAZA ■ Washington, D.C. 20076-0001

January 19, 2005

Mr. David C. Montgomery  
 President  
 Brookdale Citizens Association  
 4512 Cortland Road  
 Chevy Chase, Maryland 20815

Robert L. Cope, Esquire  
 Citizens Coordinating Committee  
 On Friendship Heights  
 Grove Jaskiewicz & Cobert  
 1730 M Street, N.W.  
 Washington, DC 20036

Re: Preliminary Plan No. 1-99039- Friendship Commons (Extension Request)

Dear David and Bob:

Thanks for taking time to discuss with me, respectively, the circumstances under which the Brookdale Citizens Association and the Citizens Coordinating Committee on Friendship Heights will support our Preliminary Plan extension request. Based on those discussions, I believe we can respond to your requests as a condition of your support and approval of the extension.

First, GEICO will commit to market for sale, upon approval of the pending extension request, the property known as 5328 Sherrill Avenue. We will seek to sell this property within six months of the first offering.

Second, until such time as the permanent forest conservation and planting requirements take effect (site plan and record plats for the project), GEICO will undertake independent preservation and planting measures. It will preserve trees in Brookdale Park in the area of Lot 1, Block 4, Orcharddale for future enlargement of Brookdale Park, and in the existing buffer area along the GEICO property line depicted as a greenway in the approved Preliminary Plan (the "Greenway") (collectively, the "Preservation Area"). Preservation measures will include a restriction on the removal of all trees in the area, except dead or diseased trees and prompt planting of replacement trees pursuant to the Tree Planting Specification contained in "Trees, Approved Technical Manual" approved September, 1992 by the Montgomery County Planning Board.

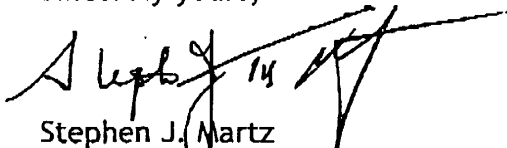
Mr. David C. Montgomery  
Robert L. Cope, Esquire  
Page 2

Additionally, GEICO will plant-replacement trees for #236 and #242 and a new tree by #202 to add to the buffer with houses on Sherrill Avenue. This will maintain the Greenway along the border of the GEICO property and the Brookdale/Orchardale Communities as a substitute for dead trees we removed over the past year or two. The replacement trees will be planted in accordance with the tree planting specifications cited above. This tree planting will occur in the first planting season after approval of GEICO's Preliminary Plan Extension. At such time, I will provide you with more specific information of the trees species and location for the new plantings.

Finally, GEICO will empty the trash can at the Metrobus shelter on Western Avenue and pick up litter on an as-needed basis, anticipated to be each business day. In fact, we have already initiated this measure based on your request. Should you observe litter conditions there, please call me and I will arrange for clean-up. This trash and litter removal will continue whether or not the requested extension is granted.

Please confirm your support for the extension in exchange for these commitments by countersigning this letter in the space below and returning it to me.

Sincerely yours,

  
Stephen J. Martz  
Assistant Vice President

cc: Robert R. Harris, Esquire  
Erica A. Leatham, Esquire

ON BEHALF OF THE BOOKDALE CITIZENS  
ASSOCIATION I HEREBY CONFIRM SUPPORT  
FOR THE EXTENSION REQUEST

  
David C. Montgomery

ON BEHALF OF THE CITIZENS COORDINATING COMMITTEE  
ON FRIENDSHIP HEIGHTS I HEREBY CONFIRM SUPPORT  
FOR THE EXTENSION REQUEST

\_\_\_\_\_  
Robert L. Cope, Esquire



- Government Employees Insurance Company
- GEICO General Insurance Company
- GEICO Indemnity Company
- GEICO Casualty Company

ONE GEICO PLAZA ■ Washington, D.C. 20076-0001

January 19, 2005

Mr. David C. Montgomery  
 President  
 Brookdale Citizens Association  
 4512 Cortland Road  
 Chevy Chase, Maryland 20815

Robert L. Cope, Esquire  
 Citizens Coordinating Committee  
 On Friendship Heights  
 Grove Jaskiewicz & Cobert  
 1730 M Street, N.W.  
 Washington, DC 20036

Re: Preliminary Plan No. 1-99039- Friendship Commons (Extension Request)

Dear David and Bob:

Thanks for taking time to discuss with me, respectively, the circumstances under which the Brookdale Citizens Association and the Citizens Coordinating Committee on Friendship Heights will support our Preliminary Plan extension request. Based on those discussions, I believe we can respond to your requests as a condition of your support and approval of the extension.

First, GEICO will commit to market for sale, upon approval of the pending extension request, the property known as 5328 Sherrill Avenue. We will seek to sell this property within six months of the first offering.

Second, until such time as the permanent forest conservation and planting requirements take effect (site plan and record plats for the project), GEICO will undertake independent preservation and planting measures. It will preserve trees in Brookdale Park in the area of Lot 1, Block 4, Orchardale for future enlargement of Brookdale Park, and in the existing buffer area along the GEICO property line depicted as a greenway in the approved Preliminary Plan (the "Greenway") (collectively, the "Preservation Area"). Preservation measures will include a restriction on the removal of all trees in the area, except dead or diseased trees and prompt planting of replacement trees pursuant to the Tree Planting Specification contained in "Trees, Approved Technical Manual" approved September, 1992 by the Montgomery County Planning Board.

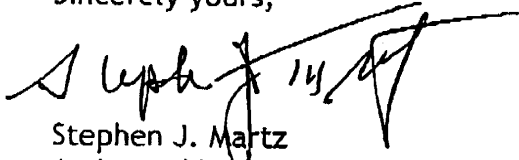
Mr. David C. Montgomery  
Robert L. Cope, Esquire  
Page 2

Additionally, GEICO will plant-replacement trees for #236 and #242 and a new tree by #202 to add to the buffer with houses on Sherrill Avenue. This will maintain the Greenway along the border of the GEICO property and the Brookdale/Orchardale Communities as a substitute for dead trees we removed over the past year or two. The replacement trees will be planted in accordance with the tree planting specifications cited above. This tree planting will occur in the first planting season after approval of GEICO's Preliminary Plan Extension. At such time, I will provide you with more specific information of the trees species and location for the new plantings.

Finally, GEICO will empty the trash can at the Metrobus shelter on Western Avenue and pick up litter on an as-needed basis, anticipated to be each business day. In fact, we have already initiated this measure based on your request. Should you observe litter conditions there, please call me and I will arrange for clean-up. This trash and litter removal will continue whether or not the requested extension is granted.

Please confirm your support for the extension in exchange for these commitments by countersigning this letter in the space below and returning it to me.

Sincerely yours,



Stephen J. Martz  
Assistant Vice President

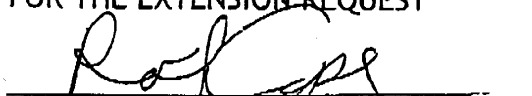
cc: Robert R. Harris, Esquire  
Erica A. Leatham, Esquire

ON BEHALF OF THE BOOKDALE CITIZENS  
ASSOCIATION I HEREBY CONFIRM SUPPORT  
FOR THE EXTENSION REQUEST

---

David C. Montgomery

ON BEHALF OF THE CITIZENS COORDINATING COMMITTEE  
ON FRIENDSHIP HEIGHTS I HEREBY CONFIRM SUPPORT  
FOR THE EXTENSION REQUEST



---

Robert L. Cope, Esquire