

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF REAL ESTATE SERVICES



Office of the Director

February 2, 2011

(Via Email and Hand-Delivery)

John (Fitwi) Tekeste  
Municipal Pharmacy, Inc.  
2000 14<sup>th</sup> Street, NW  
Washington, DC 20009

RE: Municipal Pharmacy Inc.  
Frank D. Reeves Center  
2000 14<sup>th</sup> Street NW, Store No 3 and 4  
Washington, DC

Dear Mr. Tekeste:

This correspondence is in response to your letter received January 31, 2011 regarding the Notice to Quit provided by the Department of Real Estate Services (DRES) to the Municipal Pharmacy. Unfortunately, your letter did not accurately capture the outcome of our meeting on January 25, 2011. In your letter, you provided that the balance discrepancy was cleared up accordingly. The balance outstanding was not resolved. DRES requested that you provide documentation of any amounts paid, but not reflected in your payment history. To date, we have not received any documentation from you to resolve the outstanding balance. During the meeting, you did provide a purported Agreement to Pay between Municipal Pharmacy and the District dated December 13, 2002. Without at this time debating the validity of the Agreement (but reserving all rights to do so), we have revised your balance to reflect the terms of the Agreement. In the absence of any documentation from you demonstrating that our records of your payment history are incorrect, your revised balance owed to the District for rent is currently **\$345,044.88** through November 2010. Additionally, records maintained by the Department of Consumer and Regulatory Affairs indicate that the corporate charter for the Municipal Pharmacy Inc. was revoked on September 10, 1990. Please provide evidence that Municipal Pharmacy Inc. is a business organization in good standing with the District and provide a certificate confirming the insurance required under the Lease.

Your letter further provides that I agreed to move forward with a lease renewal to Municipal Pharmacy at the market rate and that Jonathan Kayne disagreed and denied your right to renew. I did not agree to provide you with a renewal option. The terms of

your expired lease provided you with one (1) five (5) year renewal option which you have exercised and which expired in April 2010. As discussed, DRES is legally required to issue a competitive solicitation in the absence of a sole source justification for a non-competitive negotiation.

I do understand that your occupancy may have included conversations with prior directors and DRES staff regarding possible renovations to the building and to your space. Unfortunately, we have not identified any documentation or any written agreements or modifications to your lease addressing renovations or authorizing non-payment in anticipation of building improvements.

We will proceed with the public solicitation for proposals for the retail space within the Reeves Center. Therefore, we will not rescind the Notice to Quit and ask that you vacate the premises in accordance with the Notice and the terms of your Lease. We do recognize and appreciate your continued commitment to the Reeves Center and the amenity offered by your establishment. We again encourage you to submit a proposal in response to the solicitation. The public solicitation will provide all members of the community with an opportunity to submit proposals for use of the retail space through a competitive and objective selection process.

If you have further questions, do not hesitate to contact me at 202.724.4400.

Sincerely,



Brian J. Hanlon  
Interim Director

cc: Councilmember Jim Graham  
Deborah Thomas, ANC Commissioner, ANC 1B04  
Camille Sabbakhan, DRES General Counsel  
Jonathan Kayne, DRES Deputy Director  
Spencer Davis, DRES Deputy Director  
MID City Business Association  
U Street Business Association  
Meridian Hill Neighborhood Association