

Executive Summary

Overview

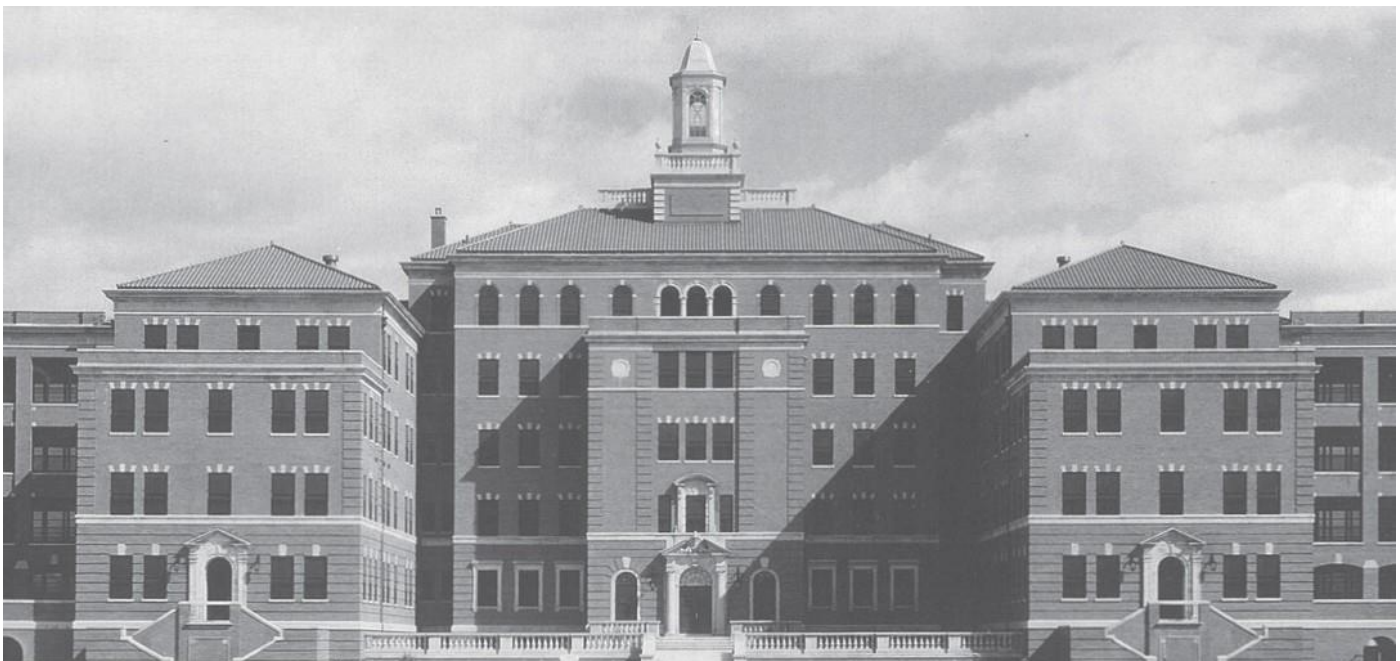
Redbrick LMD and Gragg Cardona Partners (“Redbrick LMD”) have assembled a world-class team of professional developers, planners, architects, engineers, prospective tenants, community and educational institutions, and builders. We believe our team has planned and designed a pragmatic and intelligent Phase I Master Plan for St. Elizabeths East. This well thought out approach delivers near term benefit to the local community and the city with an immediate focus on educational, workforce training, retail, forsale and affordable rental housing uses. Our technology, innovation, and sustainability expertise will be of great help in executing on the development and programming of the Innovation Hub and the Eco District.

We have extensive experience in renovating historic buildings, and have previously engaged in numerous public/private partnerships, having worked with academic institutions, municipalities, and community stakeholders. In these communities, our reputation for delivering on our commitments is well known. With the input of the local Ward 8 constituencies we believe we can successfully execute on our Phase I Master Plan.

With the support of CM (over \$14B in assets), our financial capability is strong. Our investment will be at market business terms with limited contributions from the District of Columbia and will generate new jobs, educational opportunities, and workforce training programs for the city residents, particularly in Ward 8. This market viable and sustainable redevelopment approach will help us in delivering affordable housing and building the human capital of the Congress Heights community.

Some of the key elements of our program include:

1. Extremely Strong Overall Development Team Redbrick LMD has assembled an exceptionally strong development team that is committed to executing on its vision for a vibrant, walkable, mixed-use neighborhood at St. Elizabeths, anchored by the Innovation Hub.



Executive Summary, Overview, continued

The principals of Redbrick LMD have completed several comparable scale mixed-use, technology and innovation anchored development projects. These projects delivered more than five million sf of total development and created thousands of well-paying jobs. In addition, through their recent series of acquisitions of several large parcels of land at Poplar Point on Howard Road, SE they have demonstrated a belief in and commitment to investing in the future of Ward 8.

The Washington, DC based Master Developer is ably supported by a world-class suite of professional consultants.

Perkins Eastman has participated in planning several of the most significant developments in Washington, DC in recent years including: the 3,300,000 sf redevelopment of the Wharf at the South West waterfront; the McMillan reservoir redevelopment, a new neighborhood of medical office, retail, and residential development along North Capitol Street; and Barry Farm, an exciting transformation of a depressed public housing neighborhood into a thriving mixed-use, mixed-income community located steps from the Anacostia Metro station.

NVR is the city's leading home builder and the fourth largest national home builder. NVR is excited to build a community of high quality, yet affordable new homes at St. Elizabeths.

Bohler Engineering (civil engineer), ECS Limited (geotechnical and environmental), Landscape Architecture Bureau (landscape design), Wells and Associates (traffic engineer), and EHT Traceries (historic preservation) are all recognized to be at the very top tier of their respective professions.

The Consortium of Universities of the Washington Metropolitan Area, TenSquare, DC innovates and Capital E will ensure the Master Developer is able to realize on the vision of establishing an Innovation Hub and EcoDistrict that serves the Ward 8 community and the City and delivers on that promise in a sustainable fashion.

2. Specific Experience in the design, development and operation of mixed-use innovation clusters, technology parks or similar projects

Many technology and innovation companies need specialized solutions to meet their space and mission critical needs. Two prior projects, Minuteman Office Park and Brickstone Square, were successfully designed to attract innovation and technology related companies. Phillips, Polycom and Entarysys Networks leased space at Minuteman Park because the opportunity to work in innovative, new, state of the art, build to suit buildings was compelling.

The largest tenant at the historic mills at Brickstone Square was CMGI which from 1999 to 2000 was the largest incubator of new internet companies in the country with a peak market capitalization of \$41 billion. This example highlights the commitment many technology companies will make to historic buildings that can be retrofit for their specific technology uses. CMGI's presence and commitment to the property was very helpful in attracting likeminded technology companies of smaller scale to lease space in the property.

The historic campus-like setting of St. Elizabeths East, its proximity to metro and St. Elizabeths West and the availability of affordable high quality housing will provide an attractive inducement to innovators.

We also believe that attracting educational, academic and research users will help foster the virtuous cycle required to deliver on the District's goals. As a result we have partnered with the Consortium of Universities of the Washington Metropolitan Area, a consortium of twelve universities and two Colleges, and TenSquare the leading charter school developer and consultant in the District. In addition, the Ward 8 Workforce Development Council, Ballou High School, and Living Classrooms Foundation are key community partners with Redbrick LMD.

*Executive Summary, Overview, continued***3. Specific Experience in the Design, Development and Operation of Historic Buildings**

We have considerable experience in the adaptive re-use of space to provide for the needs of the modern corporate and residential real estate user while preserving historic details. In Andover, MA we transformed historic mills into 1 million sf of class A office that was highly attractive to leading technology companies, including CMGI, one of the largest and most innovative internet incubators in the world at that time.

In Baku, Azerbaijan one of our principals purchased an historic flour mill and converted it to 130,000 sf of class A office space, attracting western multinational companies such as Exxon, Agip, Statoil, Mitsui, Mitsubishi, British Bank of the Middle East (HSBC), and British Airways. To this day it remains one of the leading class A office buildings in Central Asia.

In addition, we have converted an old 1890s warehouse in New York City to residential use (43 W 64th St), as well as a 1940s era office building into condominiums in New York City (838 5th Avenue).

Our Historic Preservation Consultant, EHT Tracerics, has received national recognition for developing successful preservation and consultation strategies for both public and private projects. In addition, they have done extensive work at the St. Elizabeths campus.

4. Experience with public/private partnerships and collaboration with academic institutions and/or tech companies

We have considerable experience working with public/private partnerships, having successfully completed four Transit-Oriented Mixed-Use Developments in the District of Columbia. Other examples include co-chairing the Building Committee of the Lincoln Center Institute during the billion dollar renovation of the Lincoln Center in New York City; co-chairing the building committee at the Hewitt school during construction of a new lower school and planning and acquiring land for the school expansion; planning Brier Creek in Raleigh-Durham, NC with both the Mayor of the city of Raleigh as well as Wake County to enhance live, work, shop, and play for Research Triangle Park; participating in the planning for the new Law School campus in Tenley Town while serving on the Deans Advisory Board of the Washington College of Law, American University.

5. Ability to secure financing and provide required credit support, including completion guaranties

Since 2000, the principals have developed, structured, and participated in the acquisition and sale of more than \$2 billion of real estate transactions, and over \$10 billion throughout their careers. Redbrick LMD has a current development pipeline in excess of two million sf comprised of large scale, transit oriented master planned communities, as well as ground up residential and retail infill developments. In addition, CIM, one of the largest development funds in the U.S. (with assets over \$14 billion) has committed to be our financial partner.



Executive Summary, Overview, continued

The capitalization approach within this redevelopment will vary from component to component. The townhouse construction phase will be led by NVR, one of the largest national homebuilders. NVR currently has a market capitalization of \$5 billion and cash on their balance sheet in excess of \$800,000,000.

Capitalization of the multi-family, office, retail and hotel components will be undertaken as the plans and hence the project details become more specific. Urban renewal and infrastructure projects such as St. Elizabeths are of particular interest to our investors.

6. Superior Ability to Execute/Deliver on Commitments

The principals of Redbrick LMD have successfully completed and participated in over 30 development projects, ranging from large scale Master Planned Communities of over 3 million sf of commercial and retail space and 5000 residential units (Brier Creek) to developing new schools (Hewitt School) and technology corridors (Brier Creek, Minuteman Office Park, Brickstone Square). Since 2000, the Principals have developed, structured, and participated in over \$2 billion of real estate transactions, and over \$10 billion throughout our careers. We have an outstanding track record of delivering on our commitments and closing on the properties we put under contract.

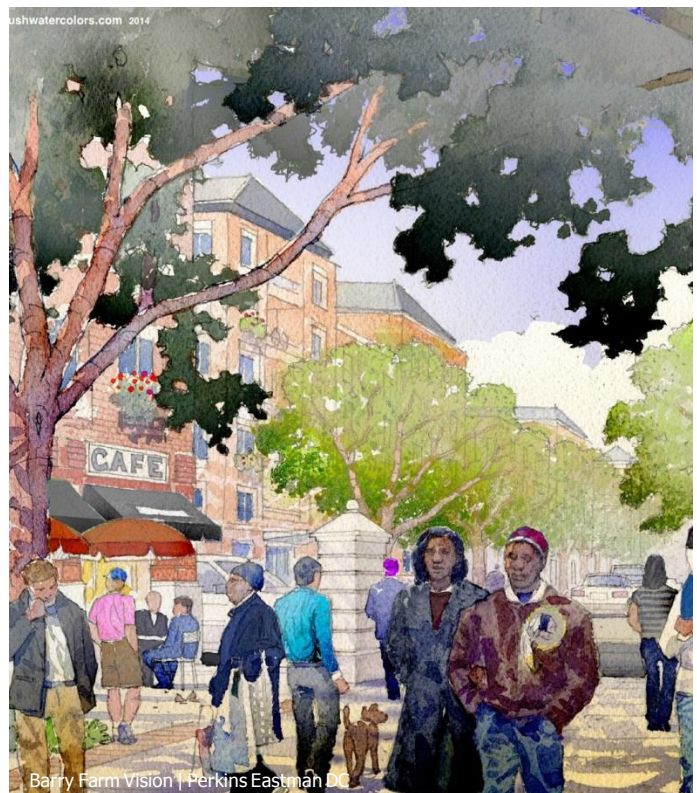
7. Design Quality

Our team has demonstrated success delivering high quality design. The design of this project, from the small spaces and details, such as the streetscape and street design, to the manner in which new development holds together, has a unified theme. Essential elements for design coherence have been established by the existing context and the design guidelines, and our design will use those as a starting point for new design and development. The key to establishing design quality is comprised of three parts: first, establish an approach to activating the public realm with street defined buildings; second, pay careful attention to the details of the public environment, such as streetscape design and public places; and third, establish a coherence of design in the initial phases that sets a high standard, builds value and demonstrates a vision that easily builds support. We believe our approach incorporates all three of these essential elements.

8. Attractive Business Terms and Limited Contribution Required from the District

Redbrick LMD intends to acquire the majority of the land from the District on market terms. We believe that residential, retail and perhaps hospitality uses can be supported today.

In general, the office market is weak both in the District and across the region. As a result there is no demand for the speculative construction of office space at this location. However, over time with the recovery of the market, the development of the innovation hub, and the build out of the rest of the St Elizabeths East and West campuses, we believe the location will support future office development without subsidies. Our commitment to near-term market based development in Ward 8 has already been demonstrated by our purchase of land at Poplar Point along Howard Road SE. The specific business terms for the historic buildings will depend on more detailed cost estimates for their renovation and a greater understanding of the desired and permitted uses. We do believe that the University of the District of Columbia's Community College and a charter or other school are potential users that would meet the District's goals and the desires of the community and could be economic from a development perspective.



TEAM NAME

Redbrick LMD and Gragg Cardona Partners

LIST OF INVOLVED COMPANIES AND ROLE

Primary Team

Redbrick LMD

Gragg-Cardona Partners

Perkins Eastman DC, PLLC

Cunningham & Quill

NVR, Inc.

JBGR

Goulston & Storrs

Bohler Engineering

ECS Limited

EHT Traceries

Wells and Associates

Landscape Architecture Bureau

JSA Associates

Rivendell International

Role

Master Developer

Co-Developer and Affordable Housing Partner

Land Planning / Design Team

Land Planning / Design Team

For Sale Residential Builder

Retail Consultant

Land Use and Zoning Attorneys

Civil Engineer Pursuing

Geotech/Environmental Engineer

Historic Preservation

Traffic Engineer

Landscape Architecture

Community Engagement

Community Engagement

Community Innovation Partners

Ward 8 Workforce Development Council

LandMatters LLC

Ballou High School

Living Classrooms Foundation

TenSquare LLC

Consortium of Universities of the

Washington Metropolitan Area

Microsoft, Citelum, VIMTrek

DC Innovates

Capital E

Workforce Development

Community Economic Development

Workforce Training

Workforce Training

Charter School Developer

Academic Institutional Partner

Community Innovation Partner

Community Innovation Partner

Sustainability Advisor