Legacy Point

2016 NAIOP Capital Challenge

PDP

GREENHILL

GEORGE MASON UNIVERSITY | School of Business

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Executive Summary

Patriot Development Partners ("PDP") is pleased to present Greenhill Capital Companies ("Greenhill") with its recommendation for the redevelopment of Greenhill's property at Georgia Avenue and University Boulevard in Wheaton, MD.

Legacy Point ("Legacy") is a mixed-use project with a name and branding strategy intended to reflect the Greenberg family's longstanding prominence within the Wheaton community. The Legacy's building design includes elements that embrace the diversity and culture of downtown Wheaton by giving the project a creative and "funky" flair similar to the Adams Morgan area of Washington, DC. The Legacy's mix of residential and retail is supported by market conditions and is consistent with Greenhill's vision, long term hold strategy and risk profile.

To address the challenge of assembling adjacent lots currently not owned by Greenhill, PDP recommends a phased redevelopment. The phasing plan is strategically designed to convince the current owners of Lot 18 to participate in a future consolidation to achieve the highest and best use of their property. The plan allows Greenhill to successfully redevelop its main site and the firehouse lot ("Outparcel") without acquiring Lot 18 in the event the owner refuses to acknowledge the opportunity. PDP believes it is not feasible to acquire the Shell gas station lot ("Lot 10P") held by Potomac Energy Holdings.

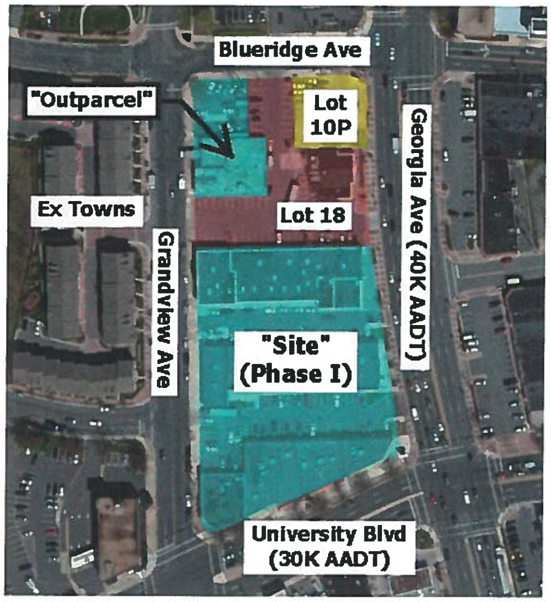
Project Summary	Phase I		
PROPOSED USE	Multifamily Units (12.5% MPDU)		280
	Retail SF		65,000
	Construction - Type 3A, 5 over 2		
	- 5 stories stick built residential		
	- 2 levels concrete podium		
FAR			3.19
DURATION	Stabilzation 32 months after construction start		
	18 month construction, 14 month lease up		
EQUITY	Equity Contributions	$	32.4
	As-Entitled Land	$	16.1
	Cash	$	16.3
PROJECT COSTS	Total	$	98.2
FINANCIAL RETURNS	Cash Proceeds	$	41.64
	Average Annual NOI *(5% vacancy)*	$	5.83
	Levered IRR		13.49%
	Return On Cost		42.4%
DEVELOPER FEE	3.5% of Hard & Soft Costs	$	2.1
Note: all dollar amounts in Millions			

Phase I

Phase I consists of 280 multifamily units above 65,000 square feet ("SF") of ground floor retail anchored by Harris Teeter. Phase I is a low risk, moderate return development with a cumulative NOI of $47M realized over the first 10 years that yields a stabilized project value of $95M. Building completion is planned to occur 18 months after the start of construction. Phase I is not contingent upon development of the adjacent parcels. Simultaneous with the start of construction on the Phase I building, PDP recommends Greenhill begin Phase II by filing a site plan for the conversion of the Outparcel to a retail pad site ground lease.

Phase II

Phase II allows for two potential outcomes: one where Greenhill does **not** acquire Lot 18 and the other where it **does** acquire Lot 18. Phase II is a strategy to convince current Lot 18 owner Aaronson to participate in a future consolidation in order to achieve the highest and best use of their property.



Phase II A consists of filing a site plan at the start of Phase I construction for the Outparcel conversion to a retail pad site ground lease. Independent of the acquisition of Lot 18, Phase II A anticipates an annual ground lease of $165K for a five year term with extensions. PDP believes the successful development of Phase I, coupled with the filed site plan for the Outparcel, may be adequate leverage to motivate the sale or joint venture of Lot 18. Acquisition of Lot 18 and consolidation with the Outparcel would become the foundation for Phase II

Phase II B's highest and best use is a mixed use property developed to an FAR of 6.05 resulting in an overall Legacy project FAR of 4.21. If the Wheaton submarket fails to mature to support the higher density residential development or office, then a strategy and investment profile similar to Phase I could be captured in Phase II.

The FAR table below illustrates the Phase by Phase allocation of the development area and FAR for each parcel. Key limitations to achieving the maximum FAR of 5.0 on each parcel include: local building codes, traditional site programming, building height restrictions, an inelastic rent curve (the market), increased construction costs for hi-rise construction and market projections.

Development Density Table Note all units in SF	Phase I	Phase II A (Ground Lease)	Phase II B	PDP Proposed Phase II B	CUMULATIVE DEVELOPMENT
Developable Area	**80,274**	**12,278**	**41,559**	**41,559**	**121,833**
Density Reservation (ROW)	20,690	9,843	14,765	14,765	35,455
Gross Tract Area	**100,964**	**22,121**	**56,324**	**56,324**	**157,288**
Residential GFA	257,000		TBD	TBD	
Retail GFA	65,000	4,744	TBD	TBD	
Total GFA	**322,000**	**4,744**	**281,620**	**340,500**	**662,500**
FAR	**3.19**	**0.21**	**5.00**	**6.05**[1]	**4.21**[2]

1.) Remaining Phase I density (1.81 FAR) transferable to Phase II B by Plan Amendment under OMD Process

2.) Assumes successful completion of Phase II B Development (see financial analysis section for explanation)


Legacy Point
Solaire
Mid Rise
232 Units
Rental Rate
1.98/2.51 sf
84% Leased
High Rise
192 Units
Rental Rate
2.23/2.67 sf
97% Leased
The George
Mid Rise
227 Units
Rental Rate
1.50/2.08 sf
96% Leased
The Flats
Mid Rise
173 Units
Rental Rate
1.74/3.22 sf
96% Leased
Metro Pointe
The Exchange
High Rise
486 Units
Rental Rate
2.60/3.00 sf
93% Leased
AVA Wheaton
Mid rise
324 units
Expected
Delivery 2017
High Rise
204 Units
Expected
Delivery 2019
Wheaton Grandview
Midrise
280 Units
65,000 sf Retail
Expected
Delivery 2019
Westfield
CVS
Wheaton
Chuck Levin's
Bank of America
Dunkin' Donuts
M metro
Best Buy

The Wheaton market, and downtown Wheaton in particular, represents an area of emerging opportunity. The market is characterized by a heavy residential component, and developments in Wheaton are successful because they offer lower overall rental prices compared to other submarkets. This coupled by the fact that the Site is in close proximity to Metro makes it an appealing combination for young professionals in the DC Metro area, which are the primary audience for the Legacy.

Demographics

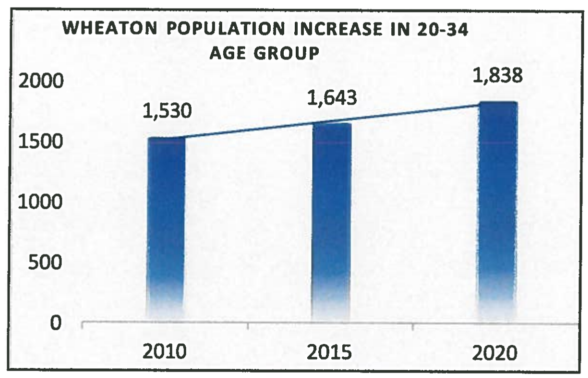
Well educated lower income population

The Wheaton submarket has a population of 48,000, with approximately 7,100 people living within ½ mile of the CBD. This population has a median household income that is 67% of the County's $96,475 median household income. This disparity is primarily attributed to a high percentage of **single households** (39%), which represent younger residents who, despite being well educated (68% having a bachelor's, graduate, professional, or doctoral degrees), are just beginning careers with lower associated salaries. The large single household population is also characterized by the low percentage of children, 10% compared to 24% Countywide. Wheaton's population has a higher percentage of young adults under 30 (19%), compared to the County (13%).

Strong population growth

The data indicates that Wheaton's Millennial population will continue to rise at rates higher than the rest of the County. [1]

Population by Age Group	Wheaton	Montgomery County
Under 18 yrs	10%	24%
18-29 yrs	**19%**	13%
30-44 yrs	**26%**	21%
45-64 yrs	30%	29%
Age 65+	15%	13%



The Millennial generation is over 80 million strong nationally; surpassing all other generational cohorts in size and will continue to have a significant impact on real estate markets for the next several decades.[2] Millennials are willing to sacrifice space for high-end amenities such as state of the art fitness centers and conveniences such as proximity to shopping.[3] The Legacy site embraces this demographic shift by creating a distinct retail identity with a high-end grocery, neighborhood hardware store, and coffee shop surrounded by an eclectic mix of restaurants and local proprietors.

[1] Wheaton CBD and Vicinity Sector Plan, Appendix 1
[2] US Census Bureau
[3] Barry Lapides, Millennials Continuing Effect On Real Estate Cannot Be Ignored

Millennials are encumbered with student loan debt and have less money saved to buy a home, therefore they are renting longer and postponing home ownership.[4] Wheaton's household growth will occur at rates 2.5 times the rest of Montgomery County, the majority of that occurring in multifamily.

Household Forecast	2010	2020	2030	2040	Total Increase	Percent %
Wheaton	2,629	3,904	4,309	4,433	**1,804**	69%
Montgomery County	362,000	408,000	440,000	460,000	**98,000**	27%

Wheaton Multifamily Comparables

Apartment Pipeline

Name	Owner	Units		Type	REALIZED FAR	Rental Rate		Status*	Finish	Notes
		Total	Mkt Rate			Low	High			
Solaire 10914 Georgia Ave.	*Washington Property*	232	201	Mid-Rise	2.4	$ 1.98	$ 2.51	84% Leased	2014	
The Exchange (Safeway) 11215 Georgia Ave.	*Patriot Capital Fougler Pratt*	486	425	High-Rise	5.3	$ 2.60	$ 3.00	93% Leased	2013	PILOT TaX Incentive
The George 11141 Georgia Ave.	*Lowe Enterprises*	192	169	High-Rise	6.0	$ 2.23	$ 2.76	97% Leased	2014	Office Conversion
Metro Pointe 11175 Georgia Ave.	*Bozzuto*	173	120	Mid-Rise	>3.0	$ 1.74	$ 3.22	96% Leased	2009	Stabilized
The Flats 11101 Georgia Ave.	*Gables*	227	227	Mid-Rise	>3.0	$ 1.50	$ 2.08	96% Leased	2005	Stabilized
AVA 11501 Georgia Ave.	*Avalon Bay*	324	283	Mid-Rise	1.73	N/A	N/A	Under Constr.	2017	
Grandview (Lot 13) 11143 Grandview Ave.	*Bozzuto*	204	143	High-Rise	5.63	N/A	N/A	Approved/ Not Started	2019	Land Swap

Apartment Pipeline is 426 Units - PDP has identified Class A multifamily residential units recently delivered to market and currently under construction/proposed. Accounting for affordable units (MPDU) and buildings already delivered and in leasing, a total of 426 market rate units are currently in development with 283 set to deliver in 2017 and another 143 planned for 2019.

Comparable Rental Rates - Rental rates for Class A apartments in the Wheaton submarket range from $1.50/SF to $3.00/SF depending on unit type/size, building amenities and Metro proximity. Average achieved rental rates were approximately $2.25/SF across all surveyed communities providing a baseline rate for consideration.

New Apartment Units Well Received - New construction multifamily has been well received in the downtown Wheaton submarket. Of the five total properties delivered since 2005, four have reached stabilization with the fifth projected to stabilize by Q2 2016. The Wheaton submarket has realized absorption rates of between 15-25 units/month for newly delivered multifamily product. Furthermore, the Wheaton rental market is considered to be one of the most stable rental markets in the County since most residents reside in their apartments for approximately 6 years, compared to 2 years Countywide.[5]

Density and FAR - Downtown Wheaton's submarket does not generate sufficient rents to justify the costs of hi-rise. The Legacy is capped at 5 stories of leasable space. There is no way to build a 5.0 FAR in Phase I. Recently completed multifamily communities were allotted up to 5.0 FAR, but most have elected to develop at a lower density, averaging 2.5± FAR.

[4] Goldman Sachs, Data Story: Millennials

[5] Wheaton CBD and Vicinity Sector Plan, Appendix 1

Existing and proposed hi-rise in Wheaton are Publicly Subsidized or a Special

The Exchange: Delivered in 2013 and inclusive of a ground floor Safeway, this community was developed with the aid of the Payment In Lieu of Tax (PILOT) incentive program (10 year abatement) and received approximately $40M in special mezzanine financing. This, in addition to a low land basis, allowed the development to proceed as a high rise. In speaking with Adam Davis of Foulger Pratt, he acknowledged the Exchange was a unique situation, and he stated:

> "If I were doing it today I would be looking to build podium…I would not build high rise in Wheaton."

The George: Completed in 2014, this community was an office to residential conversion undertaken by Lowe Enterprises. Seven floors were added to the building (previously known as the Computer Building). The existence of the original building structure greatly limited market risk by reducing both the timeframe needed to complete construction as well as the potential for the significant cost overruns that can occur in high-rise construction.

Grandview (Lot 13): Approved but not yet started, this residential project is being undertaken along with the construction of a new Class A office building that is completely leased by Maryland-National Capital Park and Planning Commission (MNCPP) and Montgomery County Planning (MCP). As part of this development the existing MCP building located in Silver Spring will be redeveloped by Stonebridge Carras and Bozzuto, essentially subsidizing the high rise construction to be undertaken on Lot 13.[6]

Harris Teeter
Neighborhood Food & Pharmacy

Legacy Building Size and Program

The retail portion will be 65,000 SF with a 50,000 SF Harris Teeter, 13,000 SF ACE Hardware, and 2,000 SF coffee shop. The residential accounts for 257,200 GSF, and with an efficient core factor of 12%, the residential NSF of 226,000 SF yields 280 apartments. The programming consists of 245 market rate units and 35 MPDU's.

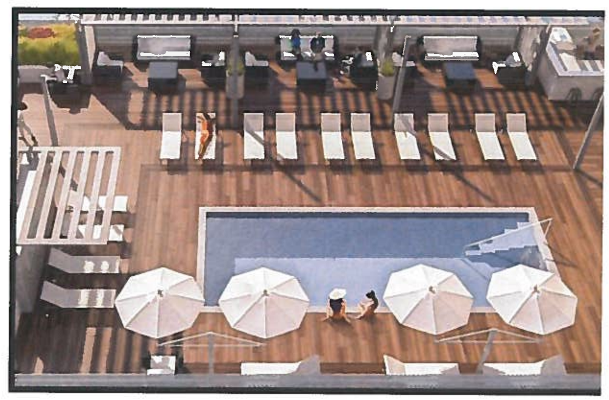
[6] Aaron Kraut, Bethesda Magazine, Montgomery County Wants to Add Two Floors, $1M to Wheaton

Legacy Point Building Program

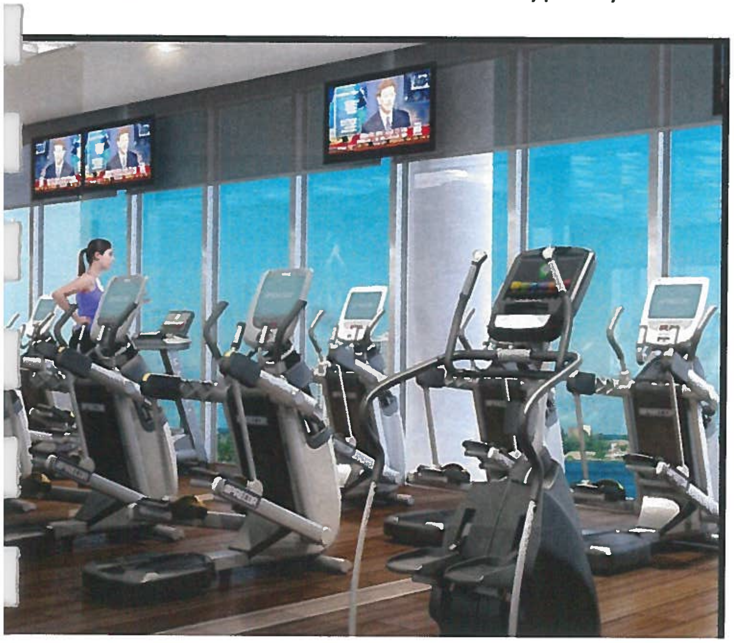
Unit Type	Qty.	%	Avg. SF	Total SF	Avg Rent / SF
Market Rate					
Studio / Jr. 1 BR / 1 BA	35	14.3%	575	20,125	$2.83
1 BR / 1 BA	85	34.7%	675	57,375	$2.68
1 BR & Den / 1 BA	30	12.2%	825	24,750	$2.58
2 BR / 2 BA	65	26.5%	1,000	65,000	$2.43
2 BR & Den / 3 BR / 2 BA	30	12.2%	1,200	36,000	$2.33
TOTAL	245	100%	830	203,250	$2.54
MPDU Type					
1 BR / 1 BA	20	7.1%	575	11,500	$1.47
2 BR / 2 BA	15	5.4%	750	11,250	$2.08
TOTAL	35	12.5%	650	22,750	$1.73
TOTAL WEIGHTED AVG.	280		807	226,000	$2.46

Unit Mix - PDP is proposing a market rate unit mix of 61% small unit types (studios, one bedroom and one bedroom plus den) with the remainder consisting of larger two bedrooms+ units. Legacy is focused on attracting singles or young families that will be attracted to the area for its lower rents and proximity to the Metro.

Amenities - The Legacy will feature a collection of amenities equivalent to competitive communities. These will include an elevated courtyard with a pool and a gathering and entertaining area. In addition to the convenience of the ground level Harris Teeter, residents will enjoy onsite garage parking, a fitness center, game area, and business room. Bike storage and storage units can be rented in otherwise dead-space of the garage to maximize use.



Anticipated Rents - Projected rental rates range from $2.33/SF and $2.83/SF depending on unit type and size. A weighted average market rental rate of $2.56 is anticipated overall upon stabilization. This rate is comparable with other downtown Wheaton properties and is conservative in light of the significant amenities afforded by the community, including proximity to Metro and the presence of Harris Teeter in the building. The presence of Harris Teeter typically results in rental rates $.25-.50/SF higher than comparable properties. The pro forma rates utilized have significant potential to increase before leasing begins.



Absorption - Based on market performance, the Legacy will achieve absorption rate of 19 units/month. This rate is in line with similar recently built communities and, depending on market conditions at time of delivery, may prove conservative given the significant amenities afforded by the development's location and retail program. This absorption rate results in stabilization within 15± months of building completion. This is an excellent market because over the next 3 years Wheaton's 426 unit pipeline will be absorbed and demand is well above new supply.

Design And Vision

The vision for Legacy consists of three possible phases. Phase I, is ground floor retail with a Harris Teeter Grocer as the anchor tenant and a variety of small retail shops to support the surrounding neighborhood and Legacy. The Harris Teeter entrance will face East on Georgia Avenue along with one or two adjacent retail shops. Retail shops will also be positioned along the south side of University and turn the corner at Grandview Avenue. The small shop retail tenants may accommodate some of the existing tenants we recommend for repositioning as well as new tenants seeking the opportunity to locate at Legacy.

To support the first floor Harris Teeter and the retail tenants, parking will be accessed directly from Georgia Avenue to a one level below grade garage taking advantage of the existing curb cut. This is an important element of the development strategy due to the alignment of the adjacent street, "Hickerson Drive". This alignment provides a full movement access point to the Legacy Garage for the Phase I development and the opportunity for the Phase II development while at the same time providing an intuitive awareness of convenience parking and access to the retail environment.

The second floor consists of five floors of apartments over the podium of the ground level Harris Teeter and retail shops with an elevated wrapped garage. Access will be located on the west side of Grandview Avenue, to create a New York Style Entry reminiscent of a quiet street with a big city feel. The stimulating architecture will create a welcoming sense of arrival and the entry lobby will feature a mural of lively art. Legacy will be designed with added features to address security and access giving full attention to the active hours of Legacy. The Loading and back of house mechanics will be integrated into a coordinated environment for ease of each intended use. An internal stair will provide access to the ground floor retail tenants as added convenience.

The architecture of Legacy will utilize traditional materials consisting of precast, brick and accents of metal with fenestration elements to extend beyond the vertical massing of the building. This fenestration will engage the street level pedestrians and create a vibrant experience as you stroll down the street. At the street level, pocket parks will be incorporated into the building niches for public art placement creating art education opportunities.

"I like the massing plan and architectural elements showing respect to the existing town homes along Grandview"

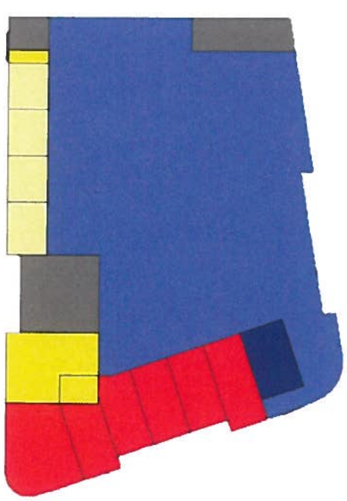
Khalid Afzal, Montgomery County Planning Department

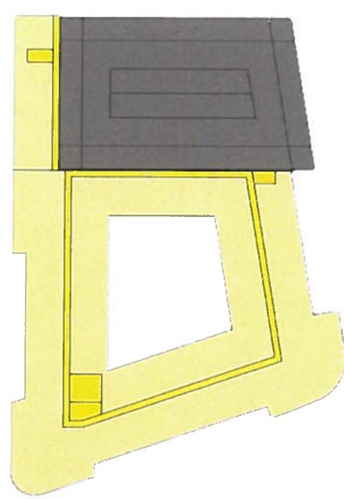
The planned streetscape will conform to the recently approved sector plan with the streets fronting all sides of Legacy to create Priority Retail Streets and Enterprise zones. Consisting of 24' streetscape widths along Georgia Ave. and University Blvd., while a 10' 8" streetscape with is mandated along Grand View Ave. This enhanced streetscape will complement the retail store fronts by engaging first floor retail tenants with ease of access for the pedestrians. The existing trees, pavement, and sidewalk widths will respond nicely to the addition of new community elements to include benches, recycle containers and way finding signage.

Our findings support the development vision for Legacy and identify our customer base as exceeding one-third of Wheaton's population as foreign born. With the existing restaurants and grocery anchored stores, the Legacy customers will find added value and convenience with the proximity of the Harris Teeter Grocery and the new the supporting retail services. In addition, the residents living at Legacy will have quick access to METRO and the surrounding neighborhood including the Westfield's Wheaton Mall, recently ranked number two in size in the Washington Metropolitan area by the Washington Business Journal.

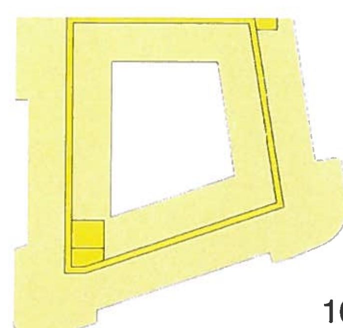
There are also several open roof deck areas that are created from the setbacks of the retail. The multi-story apartment structure steps down in height facing the townhouses across the street to the east, with the highest elevation not to exceed at 130'facing Georgia Ave. At the North-East corner, a separate entrance is planned for grocery customers. At the South-East corner where Georgia Ave. meets University Blvd., a gateway architectural feature is designed to attract tenants and retail customers to Legacy.

In reflection of Chuck Levin's active life and passion for music and instruments the streets will reflect music symbolism through furniture and artwork.

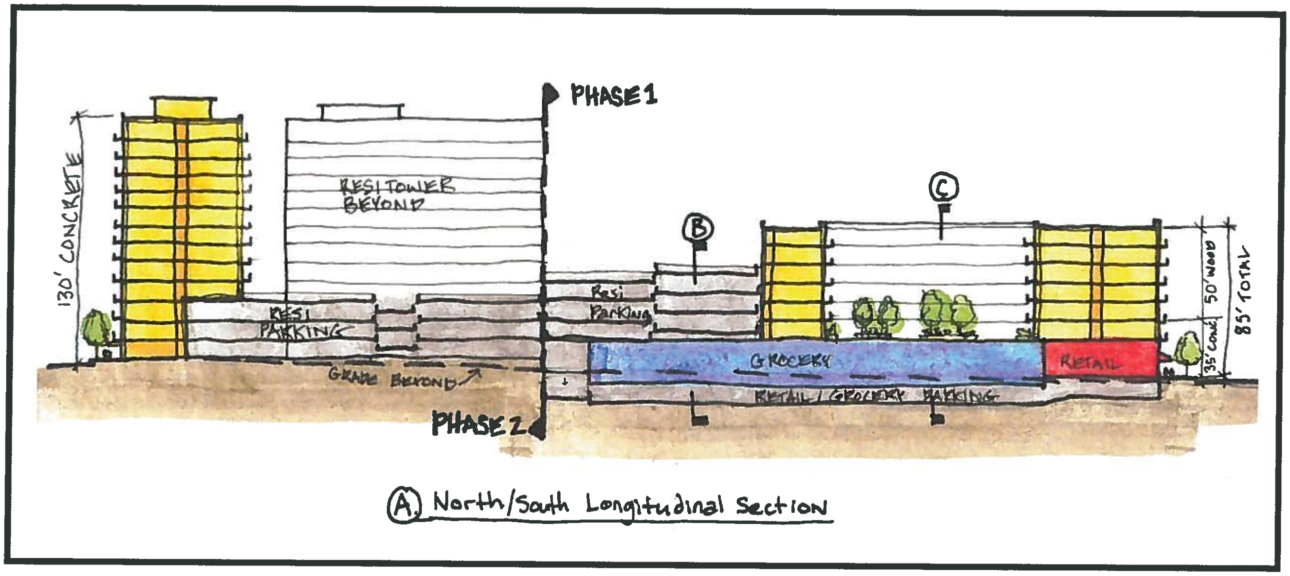




Phase I

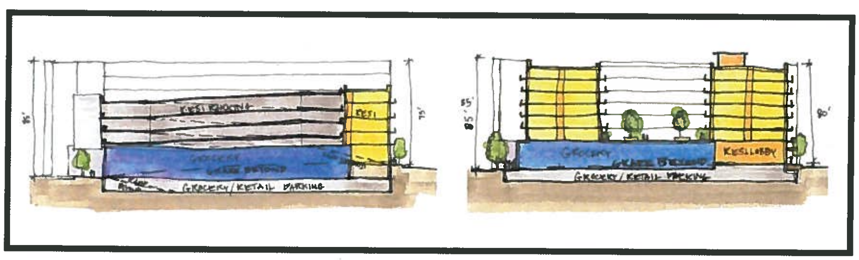


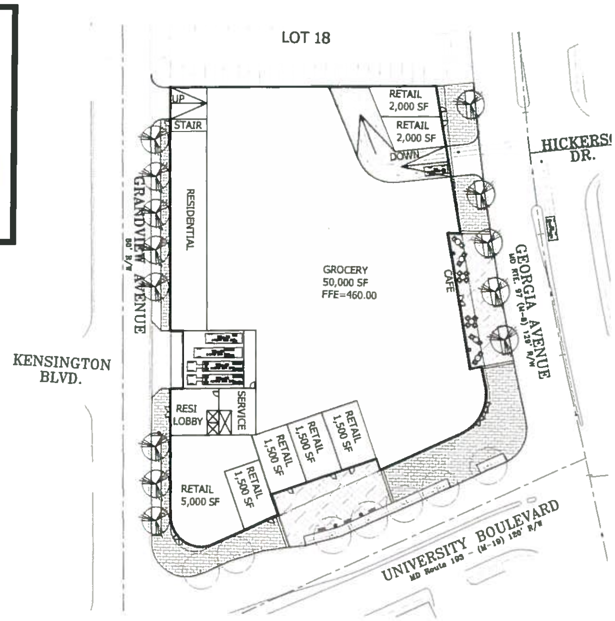
Basic building design



Design Legacy will be a centerpiece architectural feature of Downtown Wheaton. The building is concrete podium construction, with wood frame structure above. The podium entails 1 level below grade parking and 1 level at grade retail, with the maximum permitted 5 levels wood framed structure over the podium. The residential rises 1 level above the parking structure creating an interior community courtyard for the residents. The 6 level, 80' development creates a pedestrian friendly scale, and the Southeast corner will incorporate a curved façade that breaks the normal perpendicular geometry. A blend of materials including glass curtainwall, metal, brick and stone masonry will be integrated in the design.

The retail/residential façade will wrap the precast garage structure on University Blvd., Grandview Ave., and partially along Georgia Ave. The exposed portion along Georgia Ave. will be clad with colorful art panels that creates a visually appealing outdoor exhibit for all to enjoy.



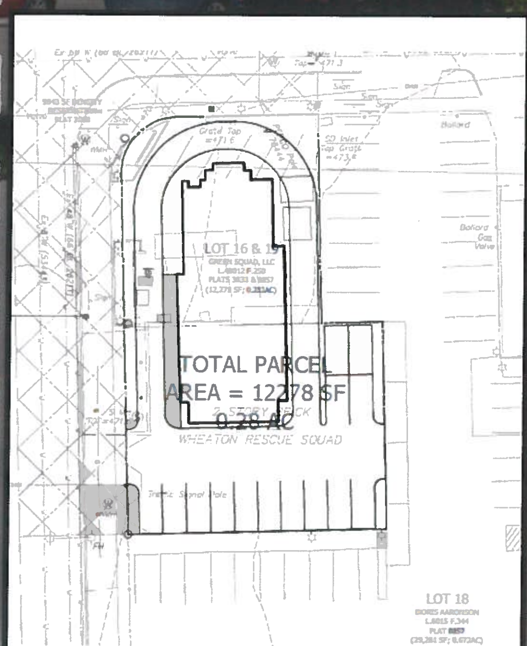


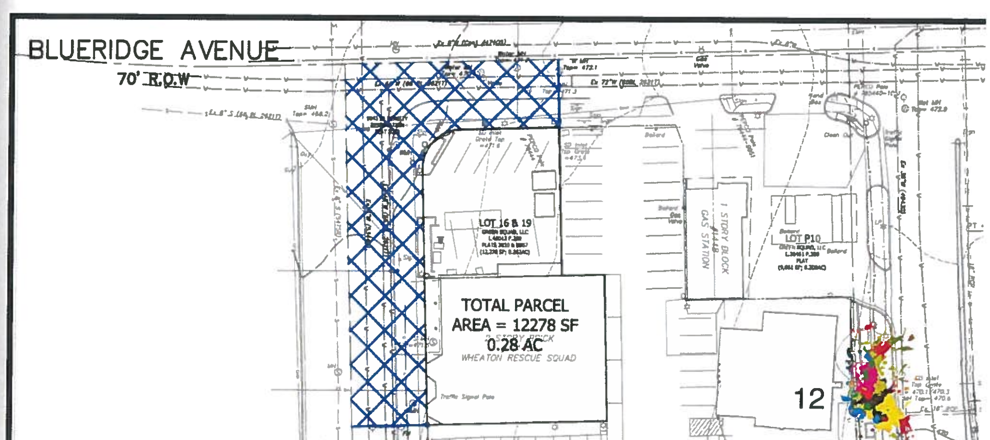
Retail – The stimulating storefronts and tree-lined streetscape will create an inviting environment for pedestrians.

Parking – Retail and residential parking can be accessed from Georgia Ave. with the below grade P1 level secured for residents only, and P2-P5 levels set aside for retail customers. Grandview Ave., which serves as the Legacy lobby entrance, will also provide private resident-only access to the garage.

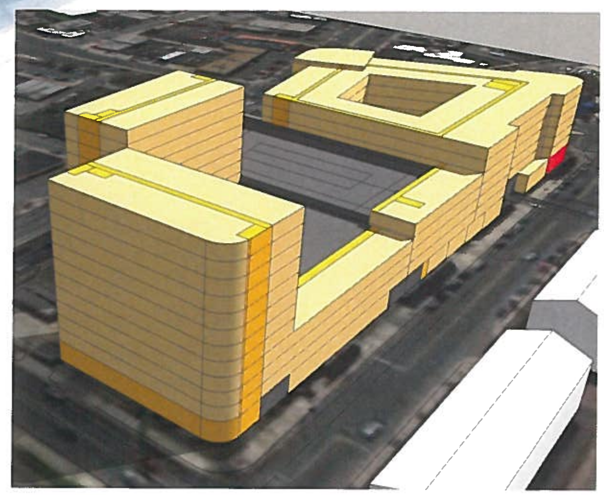
Phase II A

Phase II A proposes a retail ground lease to a national brand such as Chick-Fil-A. The Chick- Fil -A building features real brick and other inviting elements of exterior materials to soften the corner and make the transition to human scale and the adjacent neighborhood to Legacy.

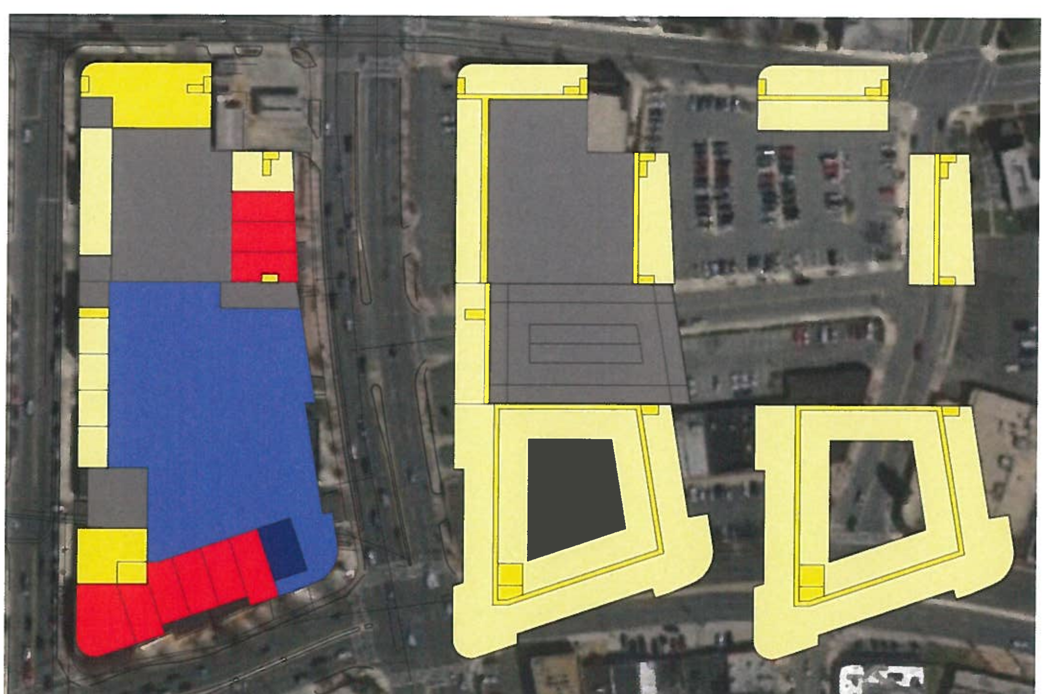




Phase II B



Phase II design will build on the success of the Phase I, with a continuation of similar design elements, features and themes, however to compensate for the increased scale and added volume, Phase II will feature setbacks created along the midpoints of the design to break up the massing and create a friendly, accessible and engaging hub for the community. The result will be a balancing in a materiality form of the building allowing more diverse and numerous retail spaces to flourish that are both active and inviting. This is especially evident in the mosaic pattern captured at the corner and is drawn around a sculptural assembly midway up the block beyond parking entrance.



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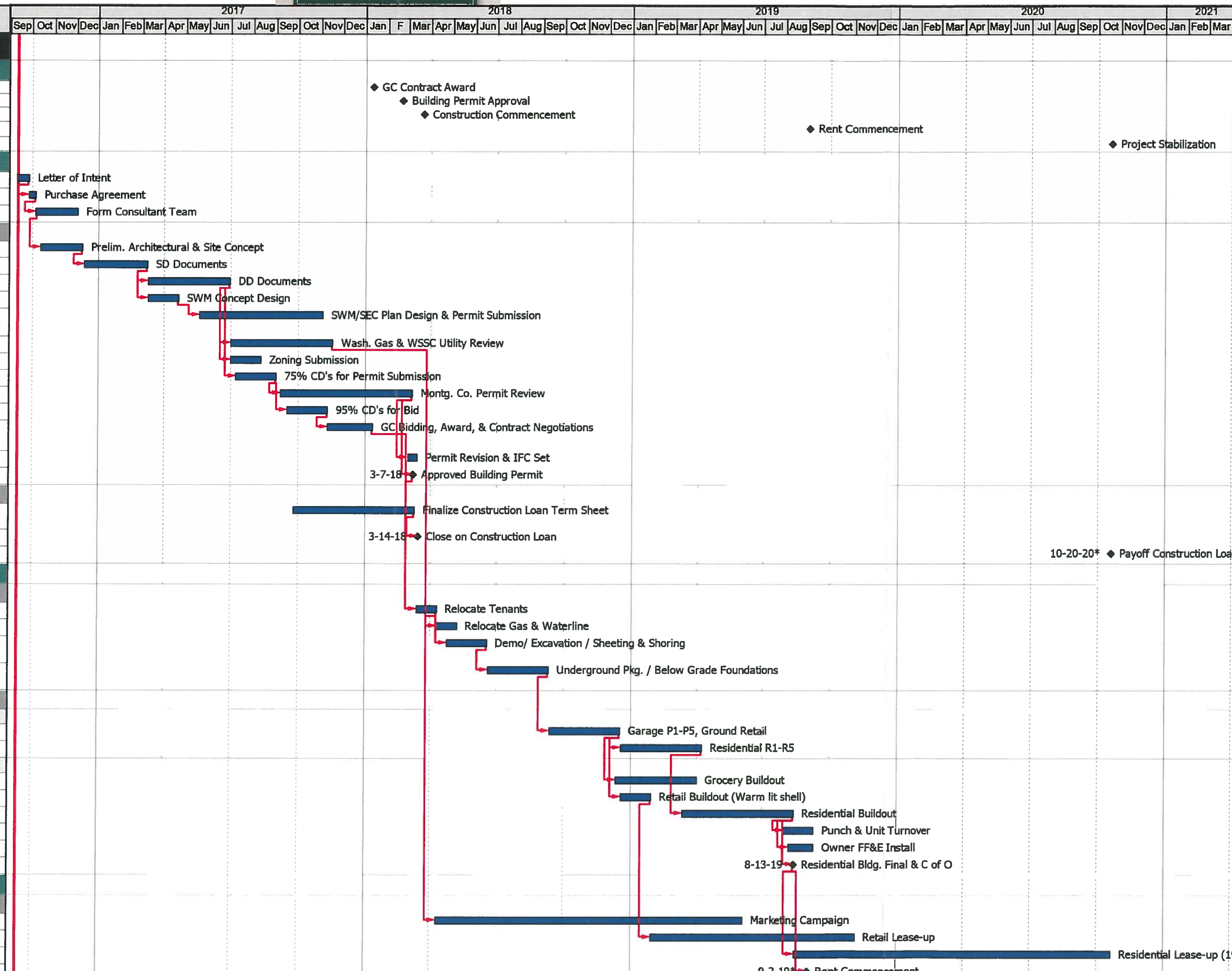
Activity ID	Activity Name	Remaining Duration	Start	Finish
LEGACY POINT		213w	9-12-16	10-20-20
PROJECT MILESTONES		145w	1-11-18	10-20-20
A1025	GC Contract Award	0w	1-11-18*	
A1050	Building Permit Approval	0w	2-20-18*	
A1060	Construction Commencement	0w	3-21-18*	
A1075	Rent Commencement	0w	9-2-19*	
A1080	Project Stabilization	0w	10-20-20*	
PRECONSTRUCTION		213w	9-12-16	10-20-20
A1009	Letter of Intent	2w	9-12-16	9-26-16
A1030	Purchase Agreement	1w	9-27-16	10-5-16*
A1040	Form Consultant Team	8w	10-6-16	12-2-16
Design, Permitting, & Pricing		73w	10-13-16	3-13-18
A1200	Prelim. Architectural & Site Concept	8w	10-13-16	12-9-16
A1205	SD Documents	12w	12-12-16	3-8-17
A1207	DD Documents	16w	3-9-17	6-29-17
A1209	SWM Concept Design	6w	3-9-17	4-19-17
A1213	SWM/SEC Plan Design & Permit Submission	24w	5-18-17	11-2-17
A1215	Wash. Gas & WSSC Utility Review	20w	6-30-17	11-16-17
A1232	Zoning Submission	6w	6-30-17	8-10-17
A1235	75% CD's for Permit Submission	8w	7-7-17	8-31-17
A1240	Montg. Co. Permit Review	26w	9-6-17	3-6-18
A1245	95% CD's for Bid	8w	9-15-17	11-9-17
A1250	GC Bidding, Award, & Contract Negotiations	9w	11-10-17	1-11-18
A1260	Permit Revision & IFC Set	2w	2-28-18	3-13-18
A1270	Approved Building Permit	0w		3-7-18
Financing		160w	9-25-17	10-20-20
A1305	Finalize Construction Loan Term Sheet	24w	9-25-17*	3-9-18
A1310	Close on Construction Loan	0w		3-14-18
A1320	Payoff Construction Loan	0w		10-20-20*
CONSTRUCTION		78w	3-13-18	9-9-19
PH.1 Utility & Site Preparation		26w	3-13-18	9-10-18
A1400	Relocate Tenants	4w	3-13-18	4-9-18
A1410	Relocate Gas & Waterline	4w	4-10-18	5-7-18
A1420	Demo/ Excavation / Sheeting & Shoring	8w	4-24-18	6-18-18
A1430	Underground Pkg. / Below Grade Foundations	12w	6-19-18	9-10-18
PH.1 Vertical Construction		52w	9-11-18	9-9-19
STRUCTURE & ENVELOPE		30w	9-11-18	4-8-19
A14	Garage P1-P5, Ground Retail	14w	9-11-18	12-17-18
A14	Residential R1-R5	16w	12-18-18	4-8-19
INTERIORS		39w	12-11-18	9-9-19
A14	Grocery Buildout	16w	12-11-18	4-1-19
A14	Retail Buildout (Warm lit shell)	6w	12-18-18	1-28-19
A14	Residential Buildout	22w	3-12-19	8-12-19
A14	Punch & Unit Turnover	6w	7-30-19	9-9-19
A14	Owner FF&E Install	5w	8-6-19	9-9-19
A14	Residential Bldg. Final & C of O	0w		8-13-19
ABSORBTION		132w	4-10-18	10-20-20
Marketing & Sales		132w	4-10-18	10-20-20
A1700	Marketing Campaign	60w	4-10-18	6-3-19
A1720	Retail Lease-up	40w	1-29-19	11-4-19
A1730	Residential Lease-up (19 units/mo.)	62w	8-14-19	10-20-20
A1735	Rent Commencement	0w		9-2-19*



Project Start: 9-12-16
Project Finish: 10-20-20

Legacy Point

DEVELOPMENT SCHEDULE

Patriot Development Partners

Legacy Point

Development Budget

Base Building Residential GSF:	257,000	280 Units
Base Building Retail GSF:	65,000	3 Units
Garage GSF:	192,000	480 Spaces

	BASIS		TOTAL	AVG. $/UNIT	COST/GSF	%
I Feasibility & Due Diligence						
Civil / Geotech			$32,000			
Utility Consultant			$9,000			
FEASIBILITY COST TOTAL			**$41,000**			
II Soft Costs						**% of SC**
Zoning/Land Use Attorney			$15,000	$54	$0.05	0.19%
Architect/Engineers			$2,090,000	$7,464	$6.49	26.49%
Interior Designer			$150,000	$536	$0.47	1.90%
Project Management			$575,000	$2,054	$1.79	7.29%
Lighting/Acoustical/Retail Consultants			$125,000	$446	$0.39	1.58%
LEED Consultant *(Optional)*			*$100,000*	*$357*	$0.31	1.27%
Reimbursables			$85,000	$304	$0.26	1.08%
Permits and Fees (including WSSC tap fees)			$920,860	$3,289	$2.86	11.67%
Insurance & Title			$20,000	$71	$0.06	0.25%
Utility Plans and Permits			$65,000	$232	$0.20	0.82%
Testing and Inspection			$310,000	$1,107	$0.96	3.93%
Property Taxes & Utilities During Development			$150,000	$536	$0.47	1.90%
Marketing	$1,100/Unit	280 units	$308,000	$1,100	$0.96	3.90%
Retail Brokerage & Commission	5% of Gross Leases		$646,000	$2,307	$2.01	8.19%
Soft Cost Contingency	5% of all Soft Costs		$277,993	$993	$0.86	3.52%
Development Fee	3% of Hard & Soft Costs		$2,051,036	$7,325	$6.37	26.00%
SOFT COST TOTAL			**$7,888,889**	$28,175	$24.50	100.00%
III Hard Costs						**% of HC**
Site Construction						
Sitework/S&S/Paving & Curbs			$3,000,000	$10,714	$9.32	4.34%
Gas & Waterline Utility Relocation			$1,000,000	$3,571	$3.11	1.45%
Parking Garage Construction						
Below grade parking	$29,700/space	200	$5,940,000	$21,214	$18.45	8.60%
Above grade structured parking	$17,800/space	280	$4,984,000	$17,800	$15.48	7.21%
Base Building Construction						
Retail Shell, Base Building & Fit Out	$100/SF Retail $120/SF Residential	65,000sf 226,000sf	$33,620,000	$120,071	$104.41	48.66%
Club & Lobby Finishes			$250,000	$893	$0.78	0.36%
Pool & Landscaping			$350,000	$1,250	$1.09	0.51%
General Conditions & Fee	8% GC's & 4% Fee		$5,897,280	$21,062	$18.31	8.54%
Bond & Insurance	0.8% Bond & 1% Insurance		$936,743	$3,346	$2.91	1.36%
Retail Tenant Improvements	$72/SF Retail $100/SF Grocery	15,000sf 50,000sf	$6,080,000	$21,714	$18.88	8.80%
Owner FF&E						
Security/Office Equipment			$100,000	$357	$0.31	0.14%
Furnishings/Artwork/Equipment			$650,000	$2,321	$2.02	0.94%
Contingency						
Hard Cost Contingency	10% of all Hard Costs		$6,280,802	$22,431	$19.51	9.09%
HARD COST TOTAL			**$69,088,825**	$246,746	$214.56	**100.00%**
IV Financing Cost						
Origination Fees & Bank Charges	1% of Construction Loan		$650,000	$2,321	$2.02	13%
Construction Loan Interest	4% Accrued Interest		$4,225,000	$15,089	$13.12	83%
Financing Cost Contingency	5% of all loan interest		$211,250	$754	$0.66	4%
FINANCING COST TOTAL			**$5,086,250**			**100%**
TOTAL DEVELOPMENT COSTS			**$82,104,965**			

Financial Analysis

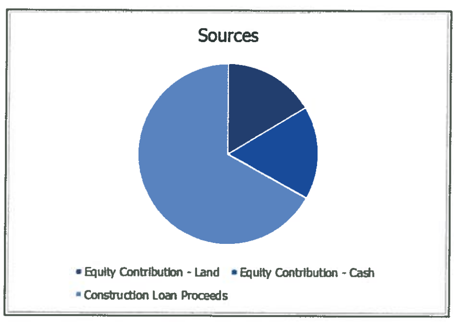
The investment period for Phase I begins with entitled land ready for development with site work beginning in Q1 18. The financial model contemplates the initial equity contribution required under the construction loan, financing costs, site development, building and parking structure construction, tenant improvements and lease up of the multifamily and retail components and ongoing operations of the property. The property stabilizes at 95% occupancy and exceeds the customary lender requirement of 1.20 Debt Service Coverage Ratio (DSCR) test in Q3 20. In line with the long-term hold strategy of Greenhill, various financial returns have been evaluated assuming cash flows from development and operations throughout the hold period with an implied sale based on NOI in year ten of the project. As this is an implied sale for investment valuation purposes, no tax implications have been included in this analysis.

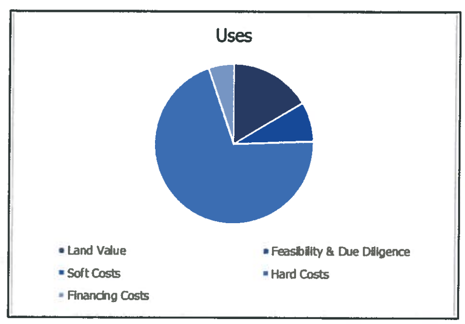
Phase II A was evaluated primarily as a ground lease to a retail tenant for a long term hold. The analysis looks at the value created from Greenhill contributing land and some upfront cash for improvements in return for cash flow over the lease period and the building improvements reverting to Greenhill for future use. An alternative development plan, Phase II B, is also evaluated assuming the acquisition and development of Lot 18, consolidated with the Outparcel, similar to Phase I.

Phase I

The debt structure for the construction period assumes typical financing for a large development project provided from a mid-size or larger bank. The equity required from the developer would include the land currently owned valued in the as-entitled state with the balance in cash from the developer. The following is a summary of the sources and uses of funds during the development phase through stabilization:

SOURCES & USES					
Sources	**Amount**	**%**	**Uses**	**Amount**	**%**
Equity Contribution - Land	$ 16,100,000	16.4%	Land Value	$ 16,100,000	16.4%
Equity Contribution - Cash	$ 16,307,638	16.6%	Feasibility & Due Diligence	$ 41,000	0.0%
Construction Loan Proceeds	$ 65,797,326	67.0%	Soft Costs	$ 7,888,889	8.0%
			Hard Costs	$ 69,088,825	70.4%
			Financing Costs	$ 5,086,250	5.2%
TOTAL SOURCES	**$ 98,204,965**	**100.0%**	**TOTAL USES**	**$ 98,204,965**	**100.0%**





Equity

Total equity based on a 67% Loan To Cost (LTC) requirement under the construction loan, is $32.4M and will be contributed by the developer at commencement of site construction. The equity contribution consists of the as-entitled land value of $16.1M, valued at $50 per FAR foot, and Cash of $16.3M. The upfront loan fees and closing costs of $640K will be funded by the Construction Loan.

Construction Loan Terms

- Non-recourse, requires standard completion guarantees, GMP contract and "bad boy" carve outs
- LTC: 67% Loan To Cost based on project cost of $98.2M
- Term: Interest only 3 year term with two 1 year extensions (3-1-1)
- Pricing: 4% based on 30 Day LIBOR (currently .44%) +300 bps with a 4% floor and loan fees/closing costs assumed at 1%
- Carry: $5M of financing costs include a $4.3M interest reserve for interest during construction

Permanent Loan Financing

- Non-recourse, requires standard "bad boy" carve outs
- Conversion of outstanding Construction Loan balance of $65.8M upon stabilization and meeting a 1.20 DSCR test and an on-going requirement to maintain a 1.20 DSCR
- LTV: 75% Loan to Value with cash out of excess value over Construction Loan Pay Off
- Term: 10 year term with 30 year amortization
- Pricing: 4% based on 30 Day LIBOR (currently .44%) +300 bps with a 4% floor and loan fees/closing costs assumed at 1%
- Monthly Debt Service is $340k

The following tables summarize the financing terms for both the Construction and the Permanent Loans:

Construction Financing		
Total Project Cost	$	98,204,965
Loan To Cost		67%
Loan Amount	$	65,797,326
Equity Requirement	$	32,407,638
Construction Loan Product		3-1-1
Construction Loan Interest Rate		4.00%
Estimated Closing Costs		1.00%
Equity Breakdown		
Land Contribution	$	16,100,000
Cash Contribution	$	16,307,638

Permanent Financing		
NOI at Stabilization	$	5,225,616
Cap Rate @ Refi (Going In)		5.50%
Value @ Refi	$	95,011,197
Loan To Value		75%
Permanent Loan Amount	$	71,258,397
Interest Rate		4.00%
Amortization		30
Monthly Payment	$	340,198
Annual Debt Service	$	4,082,382
Debt Service Coverage Ratio		1.28
Estimated Fees & Closing Costs		1.00%

It should be noted that recent banking regulatory changes have been affecting the amount of equity required in real estate projects. The new regulations require 15% cash equity from borrowers, otherwise loans could be classified as **High Volatility Commercial Real Estate (HVCRE)**. HVCRE requires the lending institutions to set aside 50% more in loan reserves for such loans. As a result of the additional cost for these increased reserves, banks are passing the cost on to the borrowers through increased pricing, which could be greater than 50 bps in rate. As the current cash contribution exceeds 15%, the financial model assumes the loan is not classified as a HVCRE. However, if Greenhill has the option to move forward with a lender willing to accept an HCVRE loan, the higher rate could be offset by potentially higher returns due to the lower cash equity contribution. When moving forward with the project, Greenhill should be aware of the regulation when considering equity requirements relating to project financing.

Phase II A

PHASE II A SUMMARY	
NOI - Ground Lease Rent	$ 165,000
Cap Rate	5.5%
Implied Value	$ 3,000,000
Pad Site Development Costs	$ (550,000)
Cumulative Rent of Investment Period	$ 1,650,000

Phase II A contemplates pursuing a ground lease of the Outparcel to a Class A nationwide retailer, such as Chik-Fil-A, for two consecutive five year terms. It is normal to expect a 3% escalation for the second term, which is not included in the analysis. Ground rent is assumed to be $165K per year, which is valued at $3M when applying a 5.5% Cap Rate. An initial cash outlay of $550K is required to develop the pad site. For contribution of the land and the cash required for the site development costs, Greenhill will recognize a $3M land value, $1.65M of cumulative rent over the ten year lease period and the value of the retail building and improvements reverting to the developer at the end of the lease term.

Phase II B

PHASE II B SUMMARY	
Gross Tract Area	56,324
Total GFA	340,500
NOI	$ 6,931,551
Cap Rate	6.0%
Implied Value	$ 115,525,849
Total Development Costs	$ 103,847,175
Return on Cost - $	$ 11,678,674
Return on Cost - %	11.2%

Phase II B contemplates the purchase of Lot 18 to be developed in combination with the Outparcel to yield GFA of 340,500. The Phase II B conceptual development plan provides consideration for local building codes, traditional site programming, and market projections. Applying the per foot values of NOI and Total Development Costs (land, development and financing) from Phase I to the GFA of the Phase II structure, the valuation of the building at a 6% Cap Rate yields a value of $115.5M. When compared to total development costs of $103.8M this yields a Return On Cost of 11.2%.

Opportunity Costs

At the time of entitlement, the value of Phase I land is $16.1M. As an option to developing Legacy, Greenhill could consider recognizing this land value through a third party sale and reinvest the proceeds in other opportunities. When analyzing this option, one needs to consider the impact that capital gains tax could have on net transaction proceeds. A 1031 exchange could defer these taxes but would be contingent on finding a suitable real estate asset in which to reinvest. Also, the expected returns from the reinvestment vehicle should be benchmarked against those returns projected for Phase I.

The 10 Year Treasury is currently earning 1.87%[7] and various, more risky stock market indexes have performed favorably over the past five years but have been subject to recent volatility. In contrast to these financial investment vehicles, Developing Phase I yields an IRR of 13.4%, no capital gains tax recognition and an annual NOI of $5.8M. When considering all of these factors, PDP does not recommend a sale of the entitled land. Greenhill should operate within its long term hold operating strategy to create and enjoy the value of Legacy's reliable cash flow stream well into the future.

[7] Merrill Lynch

Phase I Cash Flows & Returns

PHASE I SUMMARY CASH FLOW	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	TOTAL
OPERATING CASH FLOW											
Residential											
Revenue	$ -	$ 1,022,729	$ 5,566,919	$ 6,618,884	$ 6,808,899	$ 6,998,915	$ 7,188,931	$ 7,378,947	$ 7,568,963	$ 7,758,978	$ 56,912,166
Expense	-	(1,001,409)	(2,143,677)	(2,224,175)	(2,270,196)	(2,316,217)	(2,362,237)	(2,408,258)	(2,454,279)	(2,497,097)	(19,677,545)
Residential NOI	$ -	$ 21,320	$ 3,423,243	$ 4,394,708	$ 4,538,703	$ 4,682,699	$ 4,826,694	$ 4,970,689	$ 5,114,684	$ 5,261,881	$ 37,234,621
Retail											
Revenue	$ -	$ 613,700	$ 1,245,811	$ 1,282,633	$ 1,319,455	$ 1,356,277	$ 1,393,099	$ 1,429,921	$ 1,466,743	$ 1,503,565	$ 11,611,204
Expense	-	(85,918)	(174,414)	(179,569)	(184,724)	(189,879)	(195,034)	(200,189)	(205,344)	(210,499)	(1,625,569)
Retail NOI	$ -	$ 527,782	$ 1,071,397	$ 1,103,064	$ 1,134,731	$ 1,166,398	$ 1,198,065	$ 1,229,732	$ 1,261,399	$ 1,293,066	$ 9,985,635
Total NOI	$ -	$ 549,102	$ 4,494,640	$ 5,497,773	$ 5,673,435	$ 5,849,097	$ 6,024,759	$ 6,200,421	$ 6,376,083	$ 6,554,947	$ 47,220,257
Debt Service - Perm	-	-	(1,020,595)	(4,082,382)	(4,082,382)	(4,082,382)	(4,082,382)	(4,082,382)	(4,082,382)	(4,082,382)	(29,597,269)
Net Operating Cash Flow	$ -	$ 549,102	$ 3,474,045	$ 1,415,391	$ 1,591,053	$ 1,766,715	$ 1,942,377	$ 2,118,039	$ 2,293,701	$ 2,472,565	$ 17,622,988
Debt Service Coverage Ratio	*0.00*	*0.00*	*4.40*	*1.35*	*1.39*	*1.43*	*1.48*	*1.52*	*1.56*	*1.61*	*1.60*
CASH FLOW ANALYSIS											
Combined NOI	$ -	$ 549,102	$ 4,494,640	$ 5,497,773	$ 5,673,435	$ 5,849,097	$ 6,024,759	$ 6,200,421	$ 6,376,083	$ 6,554,947	$ 47,220,257
Development Costs	(65,807,916)	(27,310,799)	-	-	-	-	-	-	-	-	(93,118,715)
Implied Sale (6% Term CR, net)	-	-	-	-	-	-	-	-	-	107,501,129	107,501,129
Net Cash Flow - Un-levered	$ (65,807,916)	$ (26,761,697)	$ 4,494,640	$ 5,497,773	$ 5,673,435	$ 5,849,097	$ 6,024,759	$ 6,200,421	$ 6,376,083	$ 114,056,076	$ 61,602,670
Construction Loan Draws	34,268,684	29,376,615	1,935,016	-	-	-	-	-	-	-	65,580,315
Construction Loan Payoff	-	-	(65,580,315)	-	-	-	-	-	-	-	(65,580,315)
Permanent Loan Proceeds	-	-	70,545,813	-	-	-	-	-	-	-	70,545,813
Permanent Loan Debt Service	-	-	(1,020,595)	(4,082,382)	(4,082,382)	(4,082,382)	(4,082,382)	(4,082,382)	(4,082,382)	(4,082,382)	(29,597,269)
Sale - Permanent Loan Payoff	-	-	-	-	-	-	-	-	-	(60,915,891)	(60,915,891)
Net Cash Flow - Levered	$ (31,539,232)	$ 2,614,918	$ 10,374,559	$ 1,415,391	$ 1,591,053	$ 1,766,715	$ 1,942,377	$ 2,118,039	$ 2,293,701	$ 49,057,803	$ 41,635,324

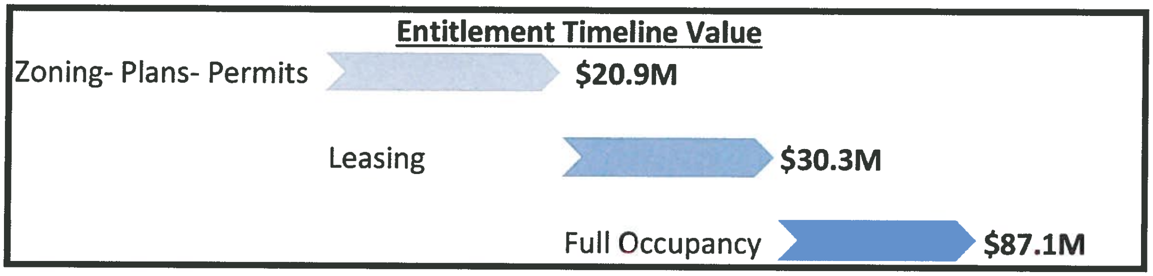
Equity & Investment Performance	Levered Returns
Equity Contribution - Land	$ 16,100,000
Equity Contribution - Cash	$ 16,307,638
Peak Equity	$ 31,749,665
Net Cash Flow	$ 41,635,324
Net Cash Flow Multiple	2.31
Internal Rate of Return	13.49%
NPV - Discount Rate 8%	$10,659,412
Total Project Cost	$98,204,965
Return On Cost	42.4%

Cash Out of Permanent Financing	
Permanent Loan Proceeds	$ 71,258,397
Construction Loan Balance	$ (65,797,326)
Permanent Loan Closing Costs	$ (712,584)
Net Proceeds	$ 4,748,487

Implied Valuation at Sale	
2028 Estimateed NOI	$ 6,718,821
Terminal Cap Rate	6.00%
Value	$ 111,980,342
Selling Costs - 4%	$ (4,479,214)
Net Sale Proceeds	$ 107,501,129
Permanent Loan Pay Off	$ (60,915,891)
Net Proceeds After Loan Pay Off	$ 46,585,238

The exhibit above provides an annual summary of the detailed monthly cash flows prepared in the financial model for Legacy Point which contemplates equity and debt, development costs, lease up, stabilized operations and an implied sale. Also provided are supporting schedules outlining key pieces of information including investment performance, cash from refinancing and the calculations supporting the sale in year 10. Key points are summarized as follows:

Debt Refinance – Upon stabilization in Q320, the construction loan will be refinanced into a long term, non-recourse permanent facility which will provide $4.8M in cash out which will partially offset the initial $16.3M cash equity contribution.
Residual Sale – Given the long term hold strategy, the overall return analysis assumes a sale in Year 10 based on an implied value of $111.9M netting $46.6M after sales costs and permanent loan payoff.
IRR Analysis – The project achieves a 13.49% IRR over the ten year term of the investment. The IRR is calculated on a levered basis, includes land value in the equity contribution and the proceeds from the residual sale. As Greenhill employs a long-term hold strategy and the sale is implied for the purposes of evaluating investment performance, tax implications from the sale are not factored into the cash flows.
Return on Cost – Total Project Costs of $98.2M yield Net Cash Flow of $41.6M for a Return on Cost of 42.4%.
Global Assumptions – Revenue escalates at 3% & Expense escalates at 2% one year after rent commencement, Vacancy assumed at 5%, Going-In Cap Rate of 5.5%, Terminal Cap Rate of 6.0%, Project Costs per Development Budget



Existing Site Conditions

Georgia Crossing ("Site"), as the existing project is known, is located at the highly traveled, northwest corner of University Boulevard (30,000 AADT) and Georgia Avenue (40,000 AADT) within 1,200 feet of the Wheaton Metro station. Bounded on the north by Blueridge Avenue and the west by Grandview Avenue, the Site makes up the majority of the block and is bifurcated by Lot 18. The Site consists of three low rise retail buildings (Phase I) and Station 18 of the Kensington Volunteer Fire Department ("KVFD") on the Outparcel. The gross tract totals 123,085 SF (2.82 Ac) and is comprised of the Phase I area of 91,154 SF (2.09 Ac), Lot 16/19 is 12,278 SF (0.28 Ac), and 19,653 SF (.45 Ac) of density reservation, available from public dedication.

Zoning and Land Use

Currently zoned CR-5.0, the Site resides within the commercial/residential zone permitting a wide range of uses including multifamily, town homes, and retail. The potential maximum development density for the Site is a 5.0 FAR, 4.5 FAR for residential or commercial, with a maximum building height of 130 feet. It should be noted that these densities and heights are only available under the Optional Method Development ("OMD") process. The Standard Method Development (by-right) only permits a 0.5 FAR. Moderately Priced Dwelling Units (MPDUs) will be provided at a rate of 12.5% as required by Chapter 25A of the Montgomery County Code.

Entitlement of the Site through the OMD process will require the submission of a conceptual Sketch Plan, Preliminary Plan, and Engineered Site Plan. Legacy will achieve the required minimum of 100 public benefit points (projected at 112) from at least four of the seven public benefit categories[8]. Guidance for project design elements is provided by the Wheaton CBD and Vicinity Sector Plan[9] ("Sector Plan"). Conversations with Montgomery County Planning staff confirmed there are no political hurdles to obtaining approval for the maximum density.

Dedication of 120' planned Right-of-Way ("ROW") widths along Georgia Ave. and University Blvd. is required by the Sector Plan. The Georgia Ave. planned ROW was expanded to 129' in

[8] Commercial/Residential Zones Incentive Density Implementation Guidelines (A&A 2012)

[9] The Wheaton CBD and Vicinity Sector Plan includes versions (A&A 2012), Urban Design Guidelines (A&A Sept. 2012), Wheaton CBD Streetscape Standards (Revised 2002)

December 2013[10]. To satisfy dedication requirements, approximately 4.5' will be dedicated along Georgia Ave. and up to 30' along University Blvd., for a total area of 10,880 SF. No dedication is required along Grandview Ave. All proposed dedications will reserve density for the Site.

The Site is also located within the Urban, Parking Lot, Arts and Entertainment, and Enterprise Zone overlay districts of the Sector Plan. The Parking Lot overlay district affords the opportunity to pay a fee in lieu of providing the minimum required parking. Although the Site is within the Parking Lot overlay district, Legacy will provide in excess of the minimum required parking for the planned uses to ensure marketability. More importantly the Enterprise Zone is beneficial because it **exempts the development from impact taxes,** including the school facility payment and transportation fees.

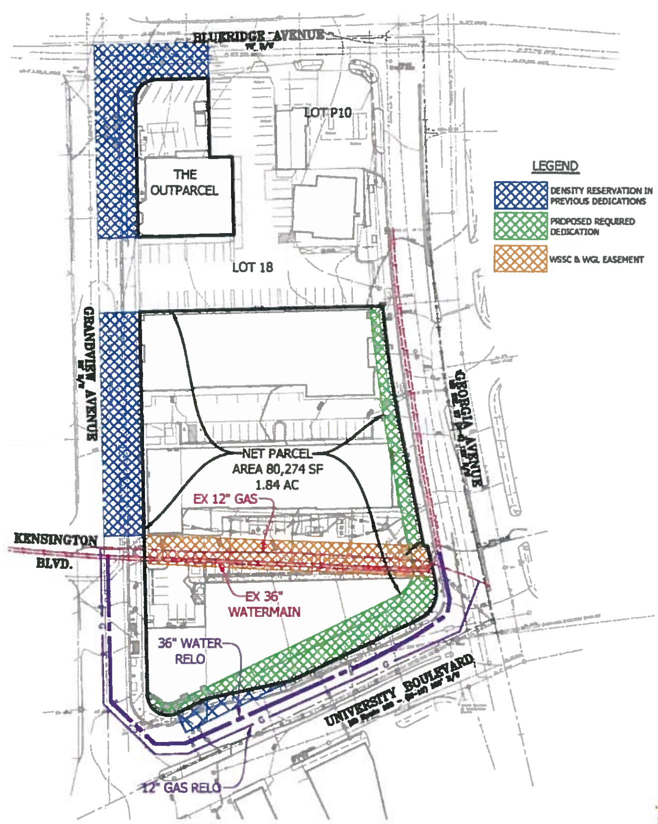
Physical Site Constraints

Strengths	Opportunities for Improvement
- High visibility (40K AADT Georgia; 30K AADT University - Walkable to Metro and nearby Wheaton Mall - Generous density and height allowances - Grade change across site - Future Bus Rapid Transit Corridor	- Existing WSSC & WGL Infrastructure - Bifurcated Outparcel - Potentially high groundwater 17'-32' depth - Potentially shallow bedrock 20'-40' depth - Lot 18 acquisition

A critical site challenge to the Phase I development is the existence of a 36" transmission water main and 12" high pressure distribution gas main running in a recorded easement across the Site. Discussions with WSSC and WGL staff indicated it is highly unlikely that approval would be granted allowing these utilities to remain in place with redevelopment of the Site. Relocation into the existing ROW is supported by engineering staff as generally shown. The development budget accounts for the relocation of site utilities.

The presence of both groundwater and bed rock at relatively shallow depths encountered at adjacent properties influenced the design recommendation of limited below grade parking. The east-west grade change across the site presented the opportunity for reducing below grade parking while creating efficiency in design and constructability.

An additional below grade finding is the inert Red Line Metro tunnel below the East curb line of Georgia Ave. at an approximate depth of 155 feet. Although the Site is within the WMATA Zone of Influence, a negative impact is not anticipated on the tunnel as it is well founded into bedrock.



10 Countywide Transit Corridors Functional Master Plan (A&A Dec. 2013)

PDP researched uses traditionally considered economic drivers for CBD development. The uses evaluated included Multifamily, Office, Retail, Entertainment, Residential and Hotel. Excluded from final consideration due to either lack of market support or already located in the submarket are:

Movie Theater Anchor: A movie theater was considered as the retail anchor. This possibility was abandoned once it was established that Westfield is in the process of adding a nine screen, 43,000 SF theater to the mall location less than 1 mile from the Site. The average trade area for a movie theater is approximately 5-8 miles depending on population density rendering any plan for additional theater development at the subject site not feasible.

Office: The Wheaton submarket has no recently constructed Class A office product. Given this fact, PDP seriously considered office development as the primary use for the project. After analyzing the office market metrics in downtown Wheaton and the surrounding submarket, it was discovered that nearly 500,000 SF of vacant office space is currently available in the Suburban Maryland market and vacancy rates remain in the double digits. [11]

Overall Office Vacancy Rate (all classes)

Market	Dec. 2014	Dec. 2015
Northern VA	17.0%	16.8%
Suburban MD	16.4%	15.9%
D.C.	9.8%	9.2%

Considered within the context of an overall tepid suburban DC office market, this would not be the highest and best use. PDP also considered developing a small quantity of professional services and small business suites, however, this often compromises the floor plate necessary to accommodate a ground floor major retail anchor. PDP concluded office was not economically feasible.

"I don't see Wheaton as an office market at all [not now or future]. Too many other options closer in on Metro that tenants could be attracted to at certain price point. Rockville, Silver Spring and Bethesda all would be first to grow over Wheaton."

-Adam Davis, VP Development Foulger-Pratt

Hotel: Downtown Wheaton lacks any significant hotel space, this led PDP to initially consider programming this component for future development. Several major impediments to this use were identified:

1. Leisure and business travelers generate room demand, and neither exist in downtown Wheaton. Business travelers are generated by Class A office, which is not present, and leisure travelers are a function of tourist attractions. While millions of tourists come to the DC region each year, they never reach Wheaton due to the nearly 1,000 hotel rooms in Silver Spring, a superior location for travelers and one stop closer on the Red Line.
2. Limited service hotels utilize a minimum 2 acres which restricts the layout on Phase I (1.84 ac.), and would result in constructing cost prohibitive underground parking.
3. PDP also consulted hotel experts who advised that the market depth in the subject location was no greater than 120-150 keys.

Residential (2-Over-2 Units/Townhomes): PDP considered developing a portion of the site as 2-over-2 or town home residential. While it was determined that unsupplied demand does exist for this product type in the Wheaton submarket, its lack of density did not allow for the maximization of value on the site.

[11] 2016 Washington Trendlines Report

Other Considerations

PDP evaluated the acquisition of Lot 10P, owned by Potomac Energy Holdings ("PEH"), and does not believe this to be feasible due to the following value considerations:

- Potomac Energy Holdings, LLC is a private company with a long term hold strategy.
- The highest and best land value calculation for a land consolidation is based on a 5.0 FAR times 45,300 GFA at $50/foot (residual land value analysis done for Phase I) yields a total value of $2.27M.
- Recent improvements to the existing underground gasoline storage tanks represents a minimum investment of $500K and recoupment of this could further inflate valuation.
- PEH would also add to the above the "going concern" value of the operating gas station (PDP did not have the resources to value this business).

The summation of the above three values exceeds what is economically feasible for the value creation the additional density the acquisition provides for Phase II B.

Conclusion

Legacy Point will be the new centerpiece of downtown Wheaton that draws people together while providing for:

- **Value Creation -** Implementation of a phased development plan that strategically utilizes available density in an economically feasible manner.

- **Acquisition & Negotiation Positioning** – The capture of a full access intersection along Georgia at Hickerson Dr. along with alternative development phases hinder the viability of future stand alone development for Lot 18.

- **Design and Location Appeal** – Market appeal for retail tenants capitalizes on excellent visibility along two heavily traveled corridors. The residential component is attractive to young professionals by offering desirable amenities located close to Metro, Wheaton Mall, and the urban core.

- **Community Connection** – Celebration of Wheaton's heritage by incorporating components of art and music into the sidewalks and building facade creating specific symbols and articulated artwork to magnify its designation as an Arts and Entertainment District. Inviting streetscapes create appealing gathering places to get people on the street.

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Team Members

BRYAN CICHOCKI has six years of real estate experience and is currently an Assistant Project Manager at VIKA Virginia, as well as a licensed civil engineer. Mr. Cichocki is responsible for the management and design of development plans from entitlement through construction. Bryan graduated from George Mason University in 2010 with a B.S. in Civil and Infrastructure Engineering and expects to graduate from GMU with a MS in Real Estate Development in the Spring of 2017.

RICHARD DOYLE currently serves as VP of Development for The Peterson Companies. With thirty years of experience in development, design and construction and facility management, Mr. Doyle has either been directly responsible for or involved with over 5 million square feet of retail and mixed use development: Franklin Farm, Burke Centre, The Colonnade at Union Mills, Fair Lakes Shopping Center, Virginia Gateway and Fairfax Corner. He has overseen or assisted on projects for the first-time entry of several national retailers to the Northern Virginia market, including Target, Walmart, Whole Foods and WAWA. Mr. Doyle holds the honors of Certified Development, Design and Construction Professional and Certified Retail Property Executive from the International Council of Shopping Centers. Mr. Doyle attended the University of Virginia and expects to graduate from the George Mason University Master in Real Estate Development program in the Spring of 2017.

STEPHANIE MOUMEN has twenty years of experience in the construction industry and currently works as a Senior Project Manager at JFW, Inc. As an owner's representative, Ms. Moumen has represented public and private clients and institutions all over the United States. She has expansive knowledge of the construction process from entitlements to commissioning, with experience in ground-up construction, industrial, commercial, and multi-family products. Ms. Moumen is a graduate of Virginia Tech with a B.S. in Environmental Science and expects to graduate with a Masters in Real Estate Development from George Mason University in the Fall of 2016.

BENJAMIN MYERS has ten years of experience of the construction industry working in the Washington, D.C. region. Currently a Field Manager with Pulte Homes, Mr. Myers has overseen such notable projects as Potomac Green, Metro West and most recently Potomac Yards, the largest grossing and most recognized development in Pulte's Mid-Atlantic division. Although broad in construction experience, his is in residential podium construction. Mr. Myers is expected to complete his Masters in Real Estate Development at George Mason University in the Fall of 2016.

CHRISTINE RATHBONE has fifteen years of local real estate experience and is currently engaged as a Managing Broker with Weichert Realtors. In her capacity as a broker, Ms. Rathbone is responsible for meeting corporate management and growth objectives while overseeing agent activities across several asset types including land sales and acquisitions, new home sales and residential sales/leasing. Ms. Rathbone graduated from George Mason University with a B.S. in Accounting and is currently pursuing her Masters in Real Estate Development with expected graduation in the Spring of 2017.

JEFF SCHNEIDER has over 20 years of experience in senior financial roles for large scale homebuilding and land development operations with national homebuilding companies and private equity financed real estate investments. Mr. Schneider is currently on the development team for Willowsford, a 4,000 acre, 2,200 unit planned development in Loudoun County, Virginia, managing the finance and accounting functions, business planning, contract management and builder relations. Mr. Schneider is a CPA, holds a B.S. in Business Administration and Accounting from the University of Buffalo and expects to graduate with a Masters in Real Estate Development from George Mason University in the Spring of 2016.

MS. C. KAT GRIMSLEY	Director, Master in Real Estate Development, George Mason University
MR. ROBERT WULFF	Director, Center for Real Estate Entrepreneurship George Mason University
MR. MARK HASSINGER	Adjunct Professor and Advisory Board Member for the Center for Real Estate Entrepreneurship, George Mason University

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Chick-Fil-A

John Martinez, Development Manager, Chick-Fil-A, Atlanta, GA

Washington Gas

Stephen Lincoln, SP Engineer, Washington Gas Systems Replacement, Springfield, VA

Washington Sanitary Suburban Commission (WSSC)

Tom Gingrich - Development Services Group (DSG)
Pelmer, Scott - Principal Civil Designer
Bryan Hall - Planning and Design

Montgomery County Planning Department

Khalid Afzal, Supervisor, Area 2 Division, Silver Spring, MD
Peter McGinnity - Office of Planning and Development, Rockville, MD

Jim Agliata - VP Development, Westfield Mall, LLC., Wheaton MD

Adam Davis - VP Development, Foulger-Pratt Companies, Potomac MD

Don Lore - Sunoco, USA Ltd, Facilities and Construction, Philadelphia, PA

Kennan Sankaran - Managing Director at CBRE Hotels, Washington, DC