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MARKET ANALYSIS AND PRODUCT PROGRAM
RECOMMENDATIONS FOR MOSAIC DISTRICT IN
MERRIFIELD, VIRGINIA

FINAL REPORT
MARCH 8, 2011

PREPARED FOR:
STONE & YOUNGBERG, LLC

Executive Summary

THE CONCORD GROUP

To: Stone & Youngberg, LLC
From: The Concord Group
Date: March 8, 2011
Re: Market Analysis and Product Program Recommendations for the Mosaic District Development in Merrifield, Virginia.

I. Overview

Edens and Avant (“E & A”) is developing the Mosaic District, a 31.3 acre property (the “Site”) in Merrifield, Virginia. The Site is located 12 miles west of Washington D.C. in Fairfax County. The Site is planned for a mix of mid- to high-density residential, retail, hotel and office.

The Concord Group (“TCG”) completed market analyses and product program recommendations for each product type planned for the Site. The following report and exhibit package outlines TCG methodologies and summarizes key conclusions relative to market conditions and revenue and absorption potential for the Site.

TCG believes the Site represents an attractive mixed-use development opportunity. Fairfax County is among the highest income counties in the United States and its real estate market is chronically undersupplied across sectors.

II. Site Summary

The Site is a 31.3 acre infill redevelopment site located in the southwest quadrant of Lee Highway and Gallows Road in Merrifield, Virginia. The following table represents the Site’s planned mix of uses.

Overall Program			
Use	SF	Units	Rooms
Retail	504,100	--	--
Multifamily	900,018	853	--
Townhomes	218,994	114	--
Office	65,000	--	--
Hotel	205,000	--	300
Total	1,893,112	967	300

III. Methodology

TCG completed the scope of work illustrated below, with corresponding Exhibit package locations:

<u>Scope of Work</u>	<u>Exhibit Pkg. Section</u>	<u>Exhibit</u>
1. Analyzed current and historical economic and demographic conditions in the local and regional market	I	All
2. Evaluated current and future supply and demand conditions for each land use and surveyed selected competitive product	II-VI	All
3. Visited and assessed the Site in its regional context of competitive alternatives	VII	1-3
4. Positioned each land use against the current competitive market	VII	4-8
5. Forecasted absorption by parcel and land use	VII	9

IV. Regional Socio-Economic Analysis

The following section summarizes regional and local economic performance, as exhibited in Section I of the attached package.

- The Washington, DC metropolitan area has been more resilient than the United States as a whole during the economic downturn, and forecasts suggest that the area will experience significant employment growth in the next few years.
 - 1.6% employment decline from peak in DC metro area vs. 5.3% decline in United States
 - DC metro area employment projected to grow on average 2.0% per year in 2011 through 2013, adding 144,000 new jobs during that time.
- Fairfax County is consistently among the highest income counties in the United States. Per 2010 estimates, expanded Fairfax County (including Fairfax City and Falls Church) has the second highest median income in the United States, trailing only neighboring Loudoun County.
- Fairfax County is a highly supply-constrained real estate market, with very few opportunities to develop large-scale mixed use infill projects like the one planned for the Site.

V. Current Real Estate Market Conditions

Sections II through VI of the attached Exhibit package provide details on the for-sale, apartment, office, retail, and hotel markets. The following section summarizes current market performance for each.

For-Sale Residential

The Residential Market Area (“RMA”, defined as the I-66 corridor from Reston to Falls Church and the I-495 corridor from Annandale to McLean) has experienced a significant decline in new home sales volume along with the national market downturn, but maintains strong underlying demand for new housing. The following summarizes market conditions in the Site’s market area.

Volume:

- Estimated 2010 RMA attached and detached new home sales of 395 represent a 77% decline from 2005 peak and a 20% decrease from 2009; 2009 RMA sales volume of 491 homes was down 11% from 2008 sales volume of 553.
- Average per project absorption in the RMA is approximately two units per month, but new home supply is very constrained.
- Attached product comprises 92% of total new home sales in the RMA, based on 2005 through 2010 sales data.

Price:

- Median townhome and condominium home price for new construction in the RMA was \$577,000 in the 10 month period ending October 2010, up 8% from \$532,152 during the full year 2009.
- Median single family home price for new construction in the RMA was \$1,414,215 in the 10 month period ending October 2010, up 28% from \$1,108,024 during the full year 2009.
- Best comparables’ net pricing:
 - New Home Sales (less attractive locations than Site)
 - Main Street Residences (Townhome): \$864,990 @ \$264 PSF
 - Kendall Square (Townhome): \$579,240 @ \$246 PSF
 - Resales
 - Providence Park (Townhome): \$587,450 @ \$322 PSF
 - Metro Place at Dunn Loring (Townhome): \$578,500 @ \$296 PSF

Supply and Demand:

- TCG estimates demand potential for approximately 900 income-qualified (home price over \$240k) new units per year in the RMA. Normalized structural demand for 900 units annually is projected to be reached in 2013 as the housing market recovers.
 - Normalized annual demand for 900 new homes per year represents approximately half (52%) of peak absorption levels (1,733 sales in 2005) and less than 10% of total (new and resale) annual home sales in the RMA.
- There are approximately 800 units remaining in actively selling projects in the RMA. Even at current depressed absorption levels, that represents a healthy two year supply.
- The Site is located in a very supply constrained region. Future competition of scale for the Site is the Metrowest project in Fairfax, Virginia, which has been approved for development. While the project will provide a mixture of townhome and condominium product, with 280 condominium units planned and 340 townhome units planned, it is further west of Washington DC, and possesses a lighter and less robust retail component. Other planned and proposed residential projects likely to be delivered in a similar timeframe as that of the Site are small-scale and will enter the market at a staggered pace. Additionally, planning is underway at the County level for the transformation of Tysons Corner into a transit oriented mixed use node which would include several thousand new residential units. However, this initiative is still in the planning stages and will not represent significant competition during the Site's sales/absorption period.

Although near-term expectations in sales volume and prices are tempered, the long-term outlook remains positive. The for-sale residential product planned at the Site (in a mixed-use setting) will be able to capture a significant share of demand over that period.

For-Rent Residential

The Residential Market Area ("RMA" defined identically as the For-Sale Residential area) is a supply constrained rental market. The RMA is expected to experience moderate population growth over the next 5 years. Traditionally, this area has a low vacancy rate (4.1%) and although the current vacancy (9%) is over double the normalized rate, this can be attributed to the 1,037 units delivered in 2010. Additionally, given the absorption of the new supply of units at 20 per month per new project, a return to historical vacancy levels is likely.

Market Performance:

- 3Q10 average rents for Class A product were \$1,587 per month, up 3.4% from Year End 2009.
- Vacancy rates have climbed to 9.0%, up 3.0% nominally from 2009. As mentioned, the sudden spike is directly related to the 1,037 units delivered in 2010.
- Apartment communities comparable to those planned at the Site are experiencing 96% occupancy net of the deliveries in lease-up and, for the most part, have ceased offering concessions.
- Best comparables:
 - Vantage at Merrifield (\$2.52/sf/mo)
 - Carmel Vienna Metro (\$2.11/sf/mo)

Supply and Demand:

- Deliveries for Class A product from 1995 - 3Q10 averaged 293 per year, but have increased since 2007 and, including deliveries planned at the Site, are projected to increase in coming years to meet the robust demand in the market.
- Given an income qualification of \$1,250+/month in rent, combined factors of household growth, household turnover, and apartment building obsolescence yield demand for 625 income-qualified units annually in the RMA. With annual deliveries at 293 per year, the RMA is chronically under-supplied.

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- Including the Site, there are approximately 4,000 potential future rental apartment units in the planning pipeline. Based on approval and permitting status, TCG projects that approximately 500 of these units will be delivered per year over the next five years – an amount still below annual demand potential.

Office

The Competitive Market Area's ("CMA", defined as the I-66 corridor from Fairfax to Falls Church and the I-495 corridor from Annandale to McLean) near-term prospects are challenging. There are currently 1.7 million square feet of excess space as vacancy has spiked to 14% from normalized levels of 11%. The medium to long-term office market outlook is strong as the county will continue to offer excellent infrastructure, lower occupancy costs relative to Washington DC, proximity to Washington DC, and an educated labor pool.

Market Performance:

- The CMA office lease rates have remained relatively high, with 3Q10 asking rents at \$28.93 per square foot gross, rising 1.4% from 3Q09.
- Published vacancies in the CMA average 14.3%, while Fairfax County vacancies are higher, at 15.3%, representing the more challenging situation of the Western portion of Fairfax County.
- Highest rent buildings are those nearest the Metro stations or arterial highways. Good tenants are willing to pay a premium for proximity to transportation.
- Recent lease transactions in best comparable properties have the following estimated annual rents:
 - 2941 Fairview Park: \$39.50 PSF
 - MetroPlace/Dunn Loring: \$35.00 PSF
 - 3190 Fairview Park: \$34.00 PSF
 - Williams Plaza I: \$30.00 PSF
 - Willow Oaks I: \$29.80 PSF

Supply and Demand:

- Projected job growth coupled with limited office space deliveries will result in lower vacancy rates and upward pressure on lease rates in the medium-term.
- The near-term office market outlook for the CMA is challenging, as the area is currently experiencing oversupply in office space. However, the CMA's projected job growth coupled with limited office space delivery make the market attractive from a medium or long-term perspective. Projected demand is 750,000 square feet annually over the next 5 years. With 1.7 million square feet in excess space, it is reasonable to expect the market to return to equilibrium in 2.5 years; at this point the market can begin to take on new office space delivery.

Retail

The Regional Trade Area ("RTA") ranges approximately 6 miles to the west, 3 miles to the east, 2 miles to the north and 3 miles to the south of the Site – based on the location of existing Target stores and other major retail nodes. The RTA is an undersupplied retail market but has nonetheless experienced a 26% drop in lease rates from the peak in 2007. Vacancy rates have remained stable at 4.7%, and the RTA has outperformed in occupancy relative to the Washington DC metro area.

Market Performance:

- Asking lease rates for retail space in the RTA are at \$27.45 per square foot, dropping 2.7% over the past year.
- Published retail vacancy in the RTA rose from 4.4% in 2009 to 4.7% in 3Q10.

Supply and Demand:

- Based on consumer spending patterns, the RTA has over a 1 million square foot demand gap in department, clothing and accessory stores that the area will be delivering.

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- The RTA currently has 278,900 square feet in the development pipeline (excluding the Site) and the Site is expected to deliver 481,000 square feet supporting the assumption that the area will continue to remain undersupplied.
- Tysons Corner, 3.5 miles north of the Site, is an established office and regional mall. Tysons Corner, with significant traffic issues and an aging mall complex, is planning an extensive redevelopment effort that over 30 years will include extensive office and retail development. The great majority of this new development will begin after the Site is completed. The Site, a less congested film, restaurant, supermarket and boutique driven mixed use concept with a Target anchor, will likely have deeper penetration and repeat visits from nearby consumers than a tangentially competitive large department store driven complex. TCG does not believe the Tyson's Corner growth will negatively impact the Site.

Relatively strong regional performance and undersupply in certain key categories suggest that retail at the Site will fare well, already anchored by major tenant Target and aided in the future by surrounding residential neighborhoods.

Hotel

Hotel occupancy and rates have declined in the Competitive Market Area (“CMA”, defined along the I-66 corridor from Fairfax to Tysons Corner) along with the national market downturn. Although there are near-term challenges, medium and long-term performance expectations are strong due to increasing business development, improving hotel sector dynamics, and undersupply of quality hospitality product in the area.

Market Performance:

- Average daily rate (“ADR”) in the CMA has dropped 14.6% to \$122 in 2010 from \$143 in 2007.
- Average occupancy has dropped 9.3% to 68% in 2010 from 75% in 2005.
- Average occupancy in the CMA is in line with the Washington DC metro area but is priced at a 14% discount.
- Best comparables’ occupancy and ADR
 - Courtyard Marriott Dunn Loring (80% and \$153)
 - Marriott Fairview Park (65% and \$174)
 - Homewood Suites Falls Church (70% and \$166)
 - Marriott Tysons Corner (75% and \$181)
 - Westin Tysons Corner (75% and \$171)

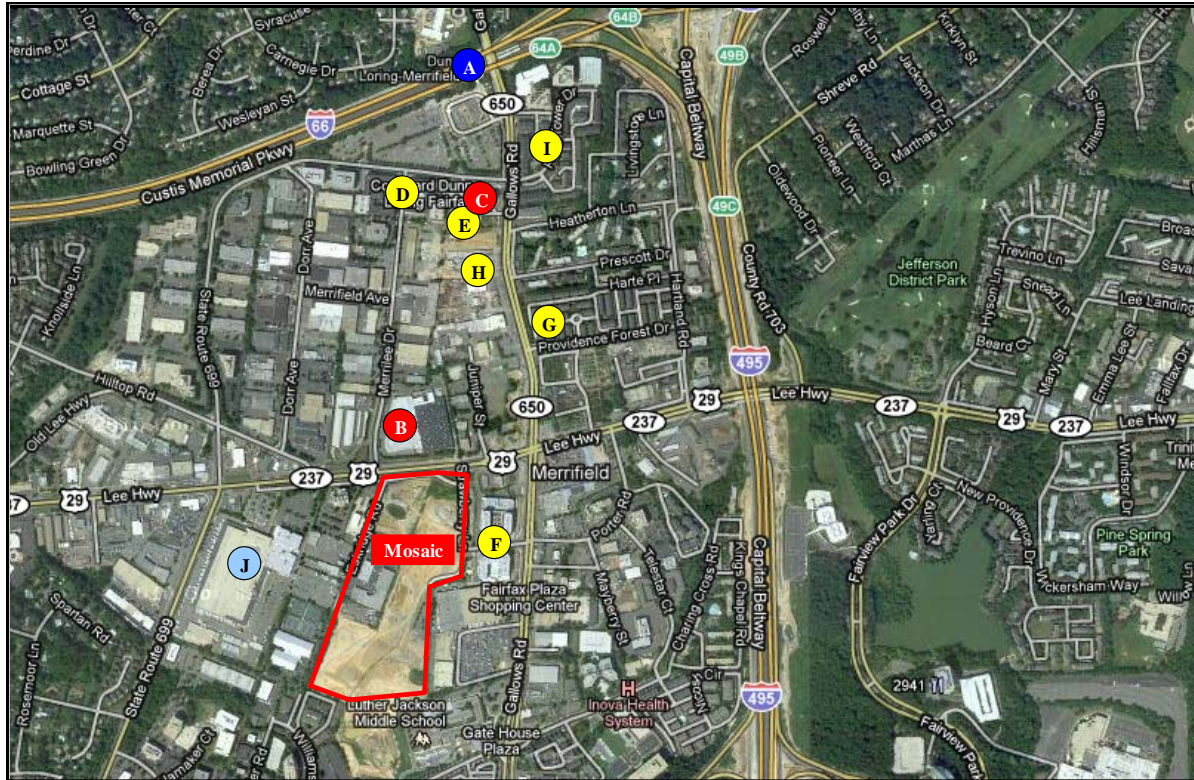
Supply and Demand:

- Based on historical data, annual supply growth expectations (total rooms) are 0.9% over the next four years.
- Demand is anticipated to grow by an annual average of 3.4% over the next four years
- Based on demand growing at a greater pace than supply, and assuming 65% average occupancy for “healthy” hotel markets, the CMA is projected to be undersupplied in hotel rooms over the next 4 years, beginning with an projected undersupply of 401 rooms in 2011 and increasing to an undersupply of 867 rooms by 2014.
- The hotel development pipeline in the hotel market area is limited, consisting of only two projects: a 110-room Hilton Garden in Falls Church and a 180-room hotel in City Center South Falls Church.
- Unique hotels surrounded by quality retail and restaurants are noticeably absent from the CMA.

The opportunity for differentiated hotel development in Merrifield is positive, given a lack of similar hotel product and the long-term growth potential of Merrifield’s redevelopment.

VI. Site Evaluation

The Site is approximately 12 miles west of Washington D.C., and is located on 31.3 acres of flat redevelopment land. Surrounding land uses include a mix of retail, office, residential, light industrial, and municipal/institutional. A comprehensive plan – of which Mosaic is a central component – is in place in Fairfax County to transform the area into a transit-oriented, pedestrian-friendly, mixed-use neighborhood. The site is easily accessible by automobile (locally via Gallows Road and Lee Highway and regionally via I-495 and I-66) and by rail (via Dunn Loring Metro station).



- | | |
|--------------------------------------|---|
| A Dunn Loring Metro Station | F Vantage (apartments) |
| B Home Depot | G Providence Park (resale townhomes) |
| C Courtyard Hotel | H Halstead Phase B (apartment & retail - under construction) |
| D Halstead (resale condo) | I Metro Place & Westbriar Plaza (resale condo) |
| E Wilton House (resale condo) | J USPS |

Each land use at the Site was evaluated on a scale from 1-5 for different characteristics such as access, surrounding land uses, and proximity to services. With 1 being poor, 3 representing the average of market competition, and 5 being excellent, the Site scored at 4.0, or “very good” ranking. The Site’s major strengths include its location relative to the interstate and public light rail, which provides convenient access to Washington D.C. as well as the surrounding suburbs of Northern Virginia. The Site’s main drawback is the industrial land uses in the immediate vicinity. However, a master plan is in place to fully redevelop the surrounding area with uses commensurate with those planned for the Mosaic District.

VII. Positioning Strategy

The following section addresses the price/rent positioning at the Site. Further detail can be found in section VII.

For-Sale Residential

TCG recommends market rate pricing for Mosaic District townhomes at \$550,000 (\$286/sf). The lack of directly comparable product in the local area and the planned mix of uses at the Site make Mosaic townhouses more attractive than comparables. However, the current downturn in the housing market has caused the planned supply of competitive product to dwindle significantly from normalized levels. Therefore, it is expected that when the Mosaic product comes online for sale in 2012, the supply of competing new product will be constrained, thus allowing for the achievement of recommended base pricing.

The best comparables for new townhome product in the RMA are Main Street Residences and Kendall Square. The average net price for these townhomes is \$255 per square foot (indicated by \$264 per square foot at Main Street Residences and \$246 at Kendall Square). Providence Park and Metro Place at Dunn Loring are the comparable resale products which are priced at \$322 per square foot and \$296 per square foot respectively. Main Street and Kendall Square have struggled in the past year with slow sales, although base pricing has remained relatively constant (incentives in the form of closing costs have been offered). The rationale for positioning Mosaic above Main Street Residences and Kendall Square is that Mosaic offers a superior product in amenities offered and location in a diverse mixed-use development. Pricing in line with or slightly below Providence Park and Metro Place is conservative due to slower current market conditions and leaves Mosaic with potential upside.

The Site will also offer Affordable and Workforce units representing 12% of the total for-sale program mix. These units are positioned at an average of \$185/sf.

For-Rent Residential

TCG recommends market rate Mosaic District residential rents to be positioned at \$2.22 per square foot per month for apartment spec level and \$2.51 per square foot per month for condominium spec level. The rationale for delineating apartment and condominium spec levels is that some current comparables are fractured condominium deals and it is expected that some current product deliveries will convert to condominiums when the for-sale residential market demand picks up. The Vantage at Merrifield is immediately adjacent to the Mosaic site, and provides a conservative comparison for achievable rents at Mosaic. The Vantage has performed well with current occupancy at 97% and average net rent at \$2.52. Lofts at Park Crest provide another condominium spec level comparable with strong performance at 98% occupancy and average net rent at \$2.79. Carmel Vienna Metro apartments are the best and most proximate apartment spec level comparable for Mosaic. Carmel Vienna Metro has performed well with 95% occupancy and an average net rent of \$2.11. Pearson Square Falls Church is the next best comparable for the apartment spec level product. Pearson Square is 97% occupied and, while priced below recommendations at \$2.03, has no access to the metro. TCG rent positioning recommendations are supported through the performance of aforementioned comparables.

The Site will also offer Affordable and Workforce units representing 12% of the total for-sale program mix. Workforce product will represent 7% of the total units and be priced at \$1,717 per month (\$1.84/sf). The remaining 5% of below market rate units are positioned as Affordable to households earning: i) at/below 65% of Area Median Income ("AMI"), or ii) at/below 50% of AMI. These units are positioned at an average of \$1,191 per month (\$1.27/sf) and \$917 per month (\$0.98/sf), respectively.

Office

Recommended rents for Mosaic District office are \$35.00 per square foot which are positioned in the upper range of the Merrifield submarket but generally below the Class A product in Reston Town Center and Tysons Corner. The top-of-the-market key competitive building in Merrifield is 2941 Fairview Park (effective rent of \$39.50). In Reston Town Center the upper-end competitive property is SOMA, located at 11950 Democracy Drive (\$44.00). In Tysons Corner, the key comparable is Greensboro Corporate Center I (\$40.00). Office space at Mosaic District will benefit from master plan orientation and proximity to the Metro station, differentiating itself from the comps, thereby supporting recommend pricing.

Retail

Currently, E&A has executed deals on 235,300 square feet to tenants (including 168,900 square feet to Target). Executed leases on the non-Target spaces range from \$21.82/sf to \$53.00/sf. For remaining retail square footage, TCG recommends \$40/sf for anchor space and \$50/sf for non-anchor space. The lack of diverse and attractive retail in Merrifield allows Mosaic to create a differentiated high-end product unique to the Merrifield area. This drives the rationale for pricing. The top of the local market for typical Class B and C retail space is in the low \$30s per square foot, and Mosaic conservatively can be at a \$10 to \$20 per square foot premium to that in the near term, with upside potential as available space at the Site decreases. Class A product at Tysons I and the Galleria and garners rents up to \$125.00 per square foot for prime space. Rent at the Mosaic District is in line with lower half of Reston Town Center, which is an established retail node yet serves as a suburban lifestyle center with no current Metro access. The recommended pricing is supported by executed leases at the Site but it is important to note that certain key tenants, Mom's and Black's, were signed with favorable terms to seed the retail component. With the base level retail in place, expectation for higher rents is supportable.

Hotel

TCG projects achievable average daily rates (ADR) of \$180 per night. Hotel positioning assumes 3- to 4-star product with the Hotel Sierra flag. The hotel market area lacks the differentiated product of Hotel Sierra. Comparable hotels in the area include the Courtyard by Marriott Dunn Loring Fairfax (80% average occupancy and \$153 ADR), the Homewood Suites Falls Church (70% and \$166), the Marriott Tysons Corner (75% and \$181), and the Westin Tysons Corner (75% and \$171). The Mosaic District hotel will be higher quality and more accessible to the amenities the Site has planned. Additionally, the product offering is differentiated from the standard hotel product the area currently offers. The recommendations are supported assuming a strong operator and normalized market occupancy.

VIII. Projected Site Absorption

The following section addresses the projected absorption at the Site. Backup can be found in Exhibit VII-9.

TCG projected both current and normalized absorption rates at the Site. Normalized projected absorption rates were benchmarked against the performance of key comps over the total sales or lease-up period of the project and were considered in the context of analog large-scale, mixed-use communities around the country. Current projected absorption rates consider market recovery, the performance of key comps over the past year, and also take into account the larger magnitude (and market share) of the planned product at the Site.

For-Sale

Projected for-sale residential absorption for the Site is 3 units per month in the near term and 4 units per month under normalized conditions. Currently, 3 units per month reflects the higher end of the market yet more comparable product has absorption rates near two units per month. The uniqueness of the mixed-use product offering garners a market premium and limited new home supply is expected to come online. Deliveries at the Site begin in late 2011 and, after a TCG-projected 2013 for-sale market recovery, absorption ramps up from 3 units sold per month to 4 units sold per month.

For-Rent Residential

Standard projected apartment unit absorption at the subject is 20 units per month, with slightly slower absorption (15 units per month) for two rental buildings built to condominium specifications and delivered simultaneously in 2014 (Parcels C & E). This absorption pace is in line with absorption at comparable properties currently in lease-up in the market area.

Office

Office space at the Site is anticipated to lease up in a one year period. The projections assume moderate employment growth, net positive absorption in 2011, and the 2-year burn off (i.e., absorption) of excess vacant space. In the context of market alternatives, the Site will have a unique advantage given the building quality, location and planned mixed-use environment. With only 1.6 million square feet in the development pipeline, no anticipated deliveries in 2011 or 2012, and nothing under construction, the projected one year lease-up period of 65,000 square feet of office space at the Site is supportable.

Retail

The retail components at the Site are generally expected to lease-up in approximately one-year after their respective building deliveries. Total retail space will amount to roughly 504,100 square feet, 235,300 square feet of which is under executed deals by tenants including Target, multiple restaurants, an upscale grocery, and a theater. Deliveries are planned to occur from October 2012 to February 2015, with absorption averaging approximately 125,000 square feet per year over four years, which is well supported by a retail gap analysis.

Hotel

The two hotels at the Site are projected to be stabilized two to three years after opening upon delivery in 2012 and 2014, a standard stabilization period for a successful hotel. The hotels will be able to gain traction from office uses at the Site, those planned at Metrowest, and existing space in major nearby office nodes like Tysons Corner. Additionally, the strong performance of the competitive set, at 74% average occupancy, is representative of the strong opportunity for hotel development in Merrifield. Lastly, the product type differentiation of the hotel at the Site will further enhance the competitive advantage of performance.

IX. Conclusion

TCG believes the Site presents an attractive development opportunity. The proposed phasing schedule will mitigate the impact of near-term market conditions. TCG's pricing/rent recommendations and projected absorption schedules are achievable and supportable, given the Site's excellent location, access to transit, master-planned orientation and proximity to Washington D.C. metropolitan area employment nodes and cultural centers.



LIST OF EXHIBITS

I. Metro Area Summary

1. Regional Location Map and Subject Site
2. Regional Economic Indicators – Employment Summary
3. Regional Economic Indicators – Home Sales and Prices
4. Demographic Outlook

II. For-Sale Residential Market

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2. For-Sale Residential Submarket Performance
3. Historical Sales Trends
4. Current Inventory
5. Competitive For-Sale Residential Communities Map
6. Selected Local Residential Resales
7. For-Sale Residential Demand Projection
8. Future For-Sale Development

III. For-Sale Residential Market

1. Apartment Market Area
2. Apartment Submarket Performance
3. Apartment Historical Trends
4. Current Inventory of Comparable Rental Communities
5. Annual Demand Potential for New Apartment Units
6. Future For-Rent Development Data

IV. Office Market

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2. Office Submarket Performance
3. Office Macro Trends
4. Selected Competitive Office Space
5. Office Demand
6. Future Office Development

V. Retail Market

1. Retail Market Area
2. Retail Submarket Performance
3. Retail Macro Trends
4. Selected Competitive Retail Space

5. Retail Gap Analysis
6. Future Retail Development

VI. Hotel Market

1. Hotel Market Area
2. Hotel Submarket Performance
3. Hotel Macro Trends
4. Selected Competitive Hotels
5. Hotel Demand
6. Future Hotel Development

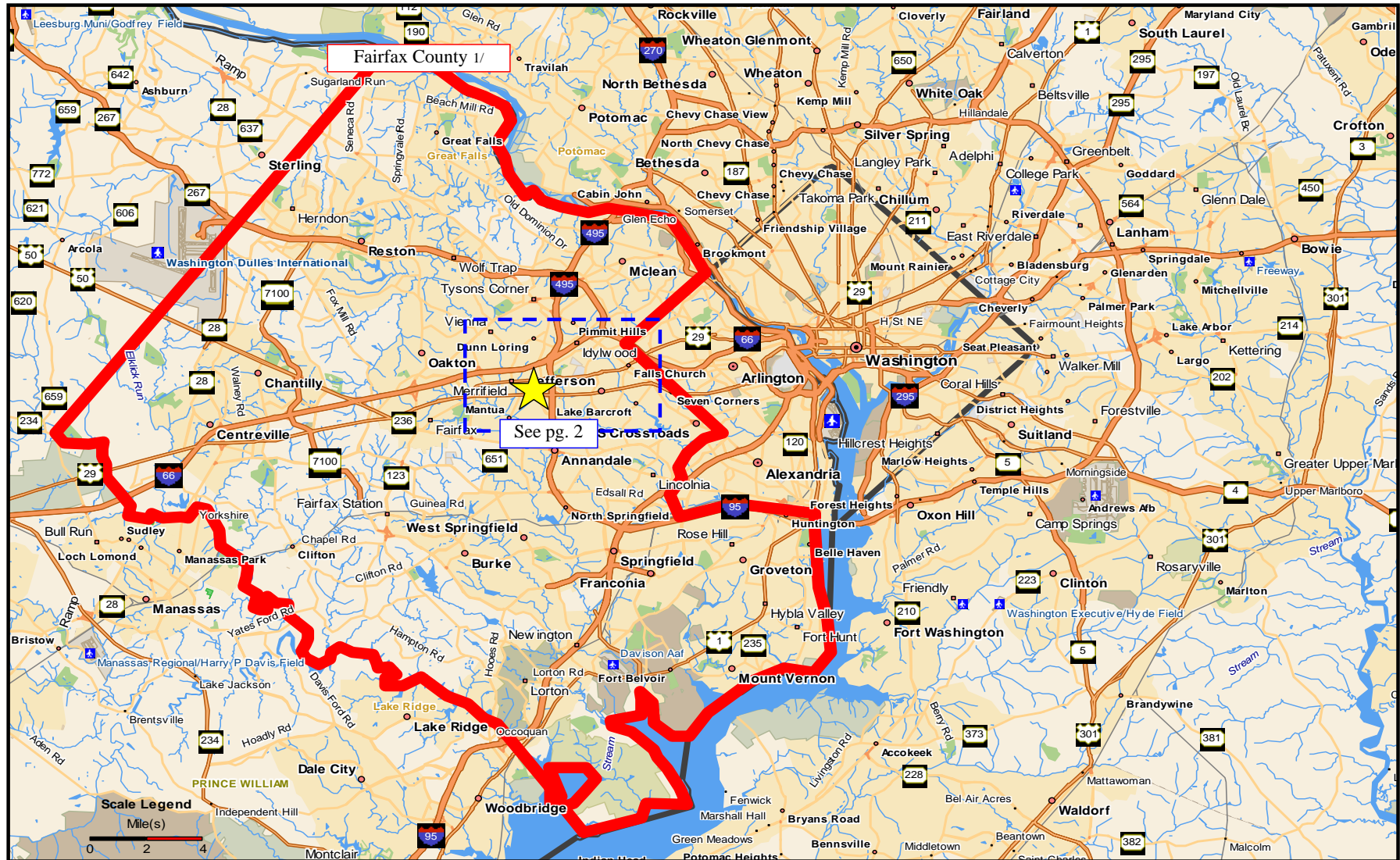
VII. Site Specific Analysis

1. Local Area Map
2. Site Map
3. Site Evaluation
4. For-Sale Residential Positioning
5. Apartment Rent Positioning
6. Office Lease Rate Positioning
7. Retail Lease Rate Positioning
8. Hotel Room Rate Positioning
9. Absorption Schedule

I. METRO AREA SUMMARY

EXHIBIT I-1

REGIONAL LOCATION MAP & SUBJECT SITE
FAIRFAX COUNTY 1, VIRGINIA
2010



1/ Including Fairfax City and Falls Church

EXHIBIT I-1

REGIONAL LOCATION MAP & SUBJECT SITE
FAIRFAX COUNTY 11, VIRGINIA
2010

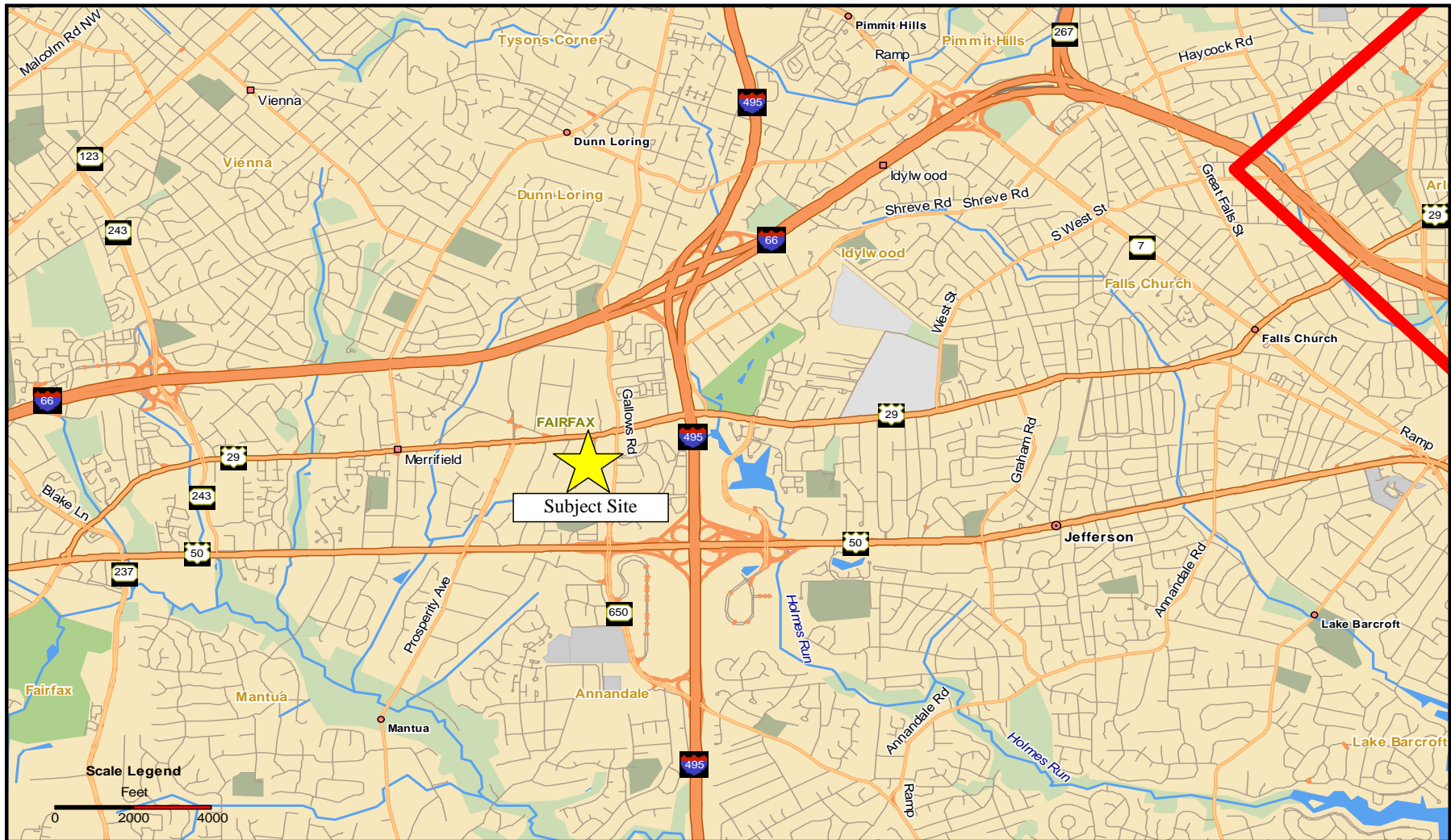


EXHIBIT I-1

REGIONAL LOCATION MAP & SUBJECT SITE
 FAIRFAX COUNTY 17, VIRGINIA
 2010

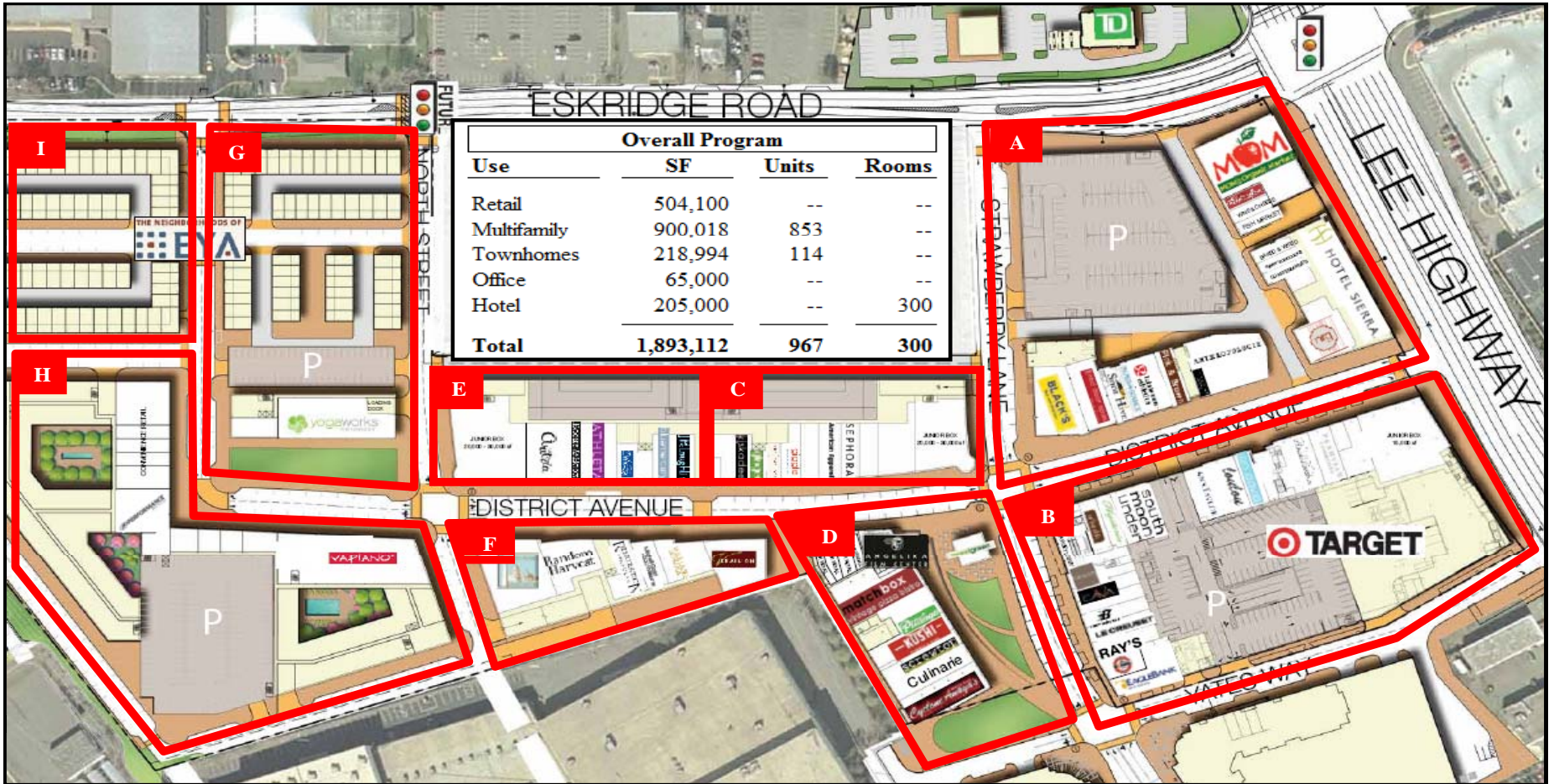


EXHIBIT I-2

REGIONAL ECONOMIC INDICATORS - EMPLOYMENT SUMMARY
WASHINGTON, DC-VA-MD-WV METRO AND EXPANDED FAIRFAX COUNTY
1995 - 2015

	Employment (in 000s)																	
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010e	2011f	2012f	2013f	2014f	2015f
Expanded Fairfax County 1/																		
PS&T Svcs. 2/	89.4	103.5	115.6	118.5	114.5	120.5	130.5	143.1	149.0	155.1	161.2	162.7	160.2	162.6	168.5	174.9	179.3	182.5
Annual % Δ	13.8%	15.8%	11.6%	2.5%	-3.4%	5.3%	8.3%	9.7%	4.1%	4.0%	4.0%	0.9%	-1.5%	1.5%	3.6%	3.8%	2.5%	1.7%
% of Total	17.5%	19.4%	20.3%	20.7%	20.6%	21.3%	22.4%	23.7%	24.4%	25.0%	26.0%	27.0%	26.8%	27.1%	27.3%	27.6%	27.7%	27.8%
Government	69.7	70.2	71.6	72.0	74.4	76.2	77.6	79.8	81.4	83.4	84.3	84.4	82.8	80.7	81.5	82.5	83.6	84.1
Annual % Δ	1.5%	0.7%	1.9%	0.6%	3.3%	2.4%	1.8%	2.9%	2.0%	2.4%	1.1%	0.2%	-1.9%	-2.6%	1.0%	1.2%	1.4%	0.6%
% of Total	13.6%	13.1%	12.6%	12.5%	13.3%	13.5%	13.3%	13.2%	13.3%	13.5%	13.6%	14.0%	13.8%	13.4%	13.2%	13.0%	12.9%	12.8%
Other Sectors	352.5	360.3	381.3	383.2	368.3	368.0	373.5	380.3	381.3	380.6	373.6	356.3	355.3	357.3	366.0	377.3	384.9	389.0
Annual % Δ	3.7%	2.2%	5.8%	0.5%	-3.9%	-0.1%	1.5%	1.8%	0.2%	-0.2%	-1.8%	-4.6%	-0.3%	0.6%	2.4%	3.1%	2.0%	1.1%
Total	511.6	534.1	568.5	573.7	557.2	564.7	581.6	603.3	611.7	619.0	619.1	603.4	598.3	600.6	616.0	634.7	647.8	655.6
Annual % Δ	5.0%	4.4%	6.4%	0.9%	-2.9%	1.4%	3.0%	3.7%	1.4%	1.2%	0.0%	-2.5%	-0.8%	0.4%	2.6%	3.0%	2.1%	1.2%
Washington, DC-VA-MD-WV Metro																		
PS&T Svcs. 2/	239.9	260.1	283.2	294.2	292.2	307.9	328.8	348.6	359.2	369.6	380.2	381.5	377.9	384.7	396.6	410.7	421.7	429.5
Annual % Δ	6.7%	8.4%	8.9%	3.9%	-0.7%	5.4%	6.8%	6.0%	3.1%	2.9%	2.9%	0.4%	-1.0%	1.8%	3.1%	3.6%	2.7%	1.9%
% of Total	12.2%	12.8%	13.3%	13.6%	13.4%	13.8%	14.3%	14.8%	15.0%	15.3%	15.6%	16.0%	15.8%	15.9%	16.1%	16.2%	16.2%	16.3%
Government	475.2	478.4	483.2	488.6	501.7	523.1	529.8	538.7	546.8	550.6	561.4	573.3	570.3	558.5	566.1	576.3	586.7	592.2
Annual % Δ	-0.7%	0.7%	1.0%	1.1%	2.7%	4.3%	1.3%	1.7%	1.5%	0.7%	2.0%	2.1%	-0.5%	-2.1%	1.3%	1.8%	1.8%	0.9%
% of Total	24.2%	23.5%	22.7%	22.5%	23.1%	23.5%	23.1%	22.9%	22.9%	22.8%	23.1%	24.0%	23.8%	23.2%	22.9%	22.7%	22.6%	22.5%
Other Sectors	1,249.7	1,296.8	1,365.9	1,386.9	1,381.4	1,399.6	1,437.6	1,460.9	1,484.6	1,493.4	1,487.6	1,435.6	1,446.8	1,469.0	1,505.3	1,551.8	1,588.1	1,610.6
Annual % Δ	3.6%	3.8%	5.3%	1.5%	-0.4%	1.3%	2.7%	1.6%	1.6%	0.6%	-0.4%	-3.5%	0.8%	1.5%	2.5%	3.1%	2.3%	1.4%
Total	1,964.7	2,035.3	2,132.4	2,169.7	2,175.3	2,230.6	2,296.1	2,348.2	2,390.6	2,413.6	2,429.2	2,390.4	2,394.9	2,412.2	2,468.0	2,538.8	2,596.6	2,632.2
Annual % Δ	2.9%	3.6%	4.8%	1.7%	0.3%	2.5%	2.9%	2.3%	1.8%	1.0%	0.6%	-1.6%	0.2%	0.7%	2.3%	2.9%	2.3%	1.4%
United States																		
Total Nonfarm	125,922.9	128,991.7	131,793.6	131,829.9	130,340.4	129,996.0	131,419.2	133,694.1	136,085.7	137,588.3	136,776.6	130,910.8	130,261.5	131,455.2	134,270.5	138,913.4	142,585.4	144,380.0
Annual % Δ	2.6%	2.4%	2.2%	0.0%	-1.1%	-0.3%	1.1%	1.7%	1.8%	1.1%	-0.6%	-4.3%	-0.5%	0.9%	2.1%	3.5%	2.6%	1.3%

1/ Including Fairfax City and Falls Church

2/ Professional, Scientific, & Technical Services

EXHIBIT I-3

**REGIONAL ECONOMIC INDICATORS - HOME SALES AND PRICES
WASHINGTON, DC-VA-MD-WV METRO AND EXPANDED FAIRFAX COUNTY
1995 - 2010**

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010e</u>	
Expanded Fairfax County 1/																					
<u>New</u>																					
Sales	860	1,207	1,821	2,888	2,751	3,054	3,073	4,017	4,071	4,066	3,686	3,271	3,383	4,349	4,342	3,142	1,767	791	794	712	
Annual % Δ		40%	51%	59%	-5%	11%	1%	31%	1%	0%	-9%	-11%	3%	29%	0%	-28%	-44%	-55%	0%	-10%	
New as % of Total	5%	7%	10%	15%	18%	19%	19%	21%	21%	18%	17%	14%	13%	15%	17%	17%	12%	7%	7%	6%	
Area as % of Metro	24%	26%	29%	28%	23%	23%	22%	20%	17%	17%	15%	14%	13%	15%	14%	12%	9%	6%	7%	6%	
Median Price (\$)	232,530	227,847	225,463	234,324	246,174	253,529	270,812	291,490	302,282	372,524	436,545	512,192	504,739	526,529	620,051	500,335	549,878	557,238	540,992	587,380	
Annual % Δ		-2%	-1%	4%	5%	3%	7%	8%	4%	23%	17%	17%	-1%	4%	18%	-19%	10%	1%	-3%	9%	
<u>Existing</u>																					
Sales - Attached	7,420	7,774	7,403	7,079	5,448	5,331	5,109	6,028	7,021	9,595	10,271	11,499	12,842	13,685	12,053	8,540	6,555	4,711	4,560	4,610	
Annual % Δ		-7%	5%	-5%	-4%	-23%	-2%	-4%	18%	16%	37%	7%	12%	12%	7%	-12%	-29%	-23%	-28%	-3%	1%
Sales - Detached	8,010	9,385	9,651	9,275	7,473	7,658	8,041	9,272	8,627	8,909	7,900	8,687	10,232	10,665	9,788	6,970	6,127	5,259	5,381	5,761	
Annual % Δ		7%	17%	3%	-4%	-19%	2%	5%	15%	-7%	3%	-11%	10%	18%	4%	-8%	-29%	-12%	-14%	2%	7%
Total	15,430	17,159	17,054	16,354	12,921	12,989	13,150	15,300	15,648	18,504	18,171	20,186	23,074	24,350	21,841	15,510	12,682	9,970	9,941	10,371	
Annual % Δ		-1%	11%	-1%	-4%	-21%	1%	1%	16%	2%	18%	-2%	11%	14%	6%	-10%	-29%	-18%	-21%	0%	4%
Median Price (\$)	173,365	177,295	182,282	184,713	182,151	184,375	189,524	191,859	196,154	205,578	226,643	263,229	306,227	376,383	469,845	473,728	460,739	416,094	389,889	428,025	
Annual % Δ		2%	2%	3%	1%	-1%	1%	3%	1%	2%	5%	10%	16%	16%	23%	25%	1%	-3%	-10%	-6%	10%
Washington, DC-VA-MD-WV Metro																					
<u>New</u>																					
Sales	3,625	4,723	6,364	10,167	12,157	13,393	13,839	20,450	24,524	23,985	24,612	23,651	25,274	28,238	30,943	26,132	20,048	12,484	12,146	11,333	
Annual % Δ		30%	35%	60%	20%	10%	3%	48%	20%	-2%	3%	-4%	7%	12%	10%	-16%	-23%	-38%	-3%	-7%	
Median Price (\$)	177,464	170,721	182,371	187,839	184,151	190,751	196,230	194,898	204,519	225,171	264,080	311,052	359,998	423,517	511,265	518,794	479,149	430,024	377,058	380,608	
Annual % Δ		-2%	-4%	7%	3%	-2%	4%	3%	-1%	5%	10%	17%	18%	16%	18%	21%	1%	-8%	-10%	-12%	1%
<u>Existing</u>																					
Sales - Attached	20,437	21,352	21,714	20,036	15,322	15,736	14,746	16,650	20,408	26,514	31,104	34,412	38,551	43,990	41,195	30,466	23,367	14,957	15,843	15,280	
Annual % Δ		-11%	4%	2%	-8%	-24%	3%	-6%	13%	23%	30%	17%	11%	12%	14%	-6%	-26%	-23%	-36%	6%	-4%
Sales - Detached	24,614	28,904	31,214	31,013	26,573	29,137	28,139	30,900	32,468	33,262	34,763	38,792	42,682	49,871	48,238	36,528	27,901	19,089	21,209	20,949	
Annual % Δ		-4%	17%	8%	-1%	-14%	10%	-3%	10%	5%	2%	5%	12%	10%	17%	-3%	-24%	-24%	-32%	11%	-1%
Total	45,051	50,256	52,928	51,049	41,895	44,873	42,885	47,550	52,876	59,776	65,867	73,204	81,233	93,861	89,433	66,994	51,268	34,046	37,051	36,229	
Annual % Δ		-7%	12%	5%	-4%	-18%	7%	-4%	11%	11%	13%	10%	11%	11%	16%	-5%	-25%	-23%	-34%	9%	-2%
Median Price (\$)	139,714	144,735	146,896	147,389	145,513	147,904	152,203	157,423	158,516	165,745	178,267	207,018	247,779	299,673	375,051	383,019	380,973	350,508	310,651	314,167	
Annual % Δ		2%	4%	1%	0%	-1%	2%	3%	3%	1%	5%	8%	16%	20%	21%	25%	2%	-1%	-8%	-11%	1%

1/ Including Fairfax City and Falls Church

Sources: First American; Hanley-Wood; NVAR

EXHIBIT I-4

DEMOGRAPHIC OUTLOOK
WASHINGTON, DC-VA-MD-WV METRO AND EXPANDED FAIRFAX COUNTY 1/
2010 - 2015

Household Income Range	2010		2015		5-Year Change	Annual Change			Current % of HH	
	#	Cum.	#	Cum.		#	Cum.	%		
Expanded Fairfax County 1/										
\$0 - 50,000	68,361	397,793	59,794	406,345	-8,567	-1,713	1,710	-2.6%	17.2%	
50,000 - 75,000	59,269	329,432	54,523	346,551	-4,746	-949	3,424	-1.7%	14.9%	
75,000 - 100,000	60,601	270,163	56,250	292,028	-4,351	-870	4,373	-1.5%	15.2%	
100,000 - 125,000	50,928	209,562	51,015	235,778	87	17	5,243	0.0%	12.8%	
125,000 - 150,000	40,945	158,634	42,647	184,763	1,702	340	5,226	0.8%	10.3%	
150,000 - 200,000	55,275	117,689	58,703	142,116	3,428	686	4,885	1.2%	13.9%	
200,000 - 500,000	52,035	62,414	67,810	83,413	15,775	3,155	4,200	5.4%	13.1%	
500,000 +	10,379	10,379	15,603	15,603	5,224	1,045	1,045	8.5%	2.6%	
	397,793	--	406,345	--	8,552	1,710	--	0.4%	100.0%	
Washington, DC-VA-MD-WV Metro										
\$0 - 50,000	531,646	2,044,883	481,632	2,143,878	-50,014	-10,003	19,799	-2.0%	26.0%	
50,000 - 75,000	351,083	1,513,237	339,760	1,662,246	-11,323	-2,265	29,802	-0.7%	17.2%	
75,000 - 100,000	318,014	1,162,154	310,071	1,322,486	-7,943	-1,589	32,066	-0.5%	15.6%	
100,000 - 125,000	240,948	844,140	260,741	1,012,415	19,793	3,959	33,655	1.6%	11.8%	
125,000 - 150,000	179,459	603,192	201,114	751,674	21,655	4,331	29,696	2.3%	8.8%	
150,000 - 200,000	212,182	423,733	246,243	550,560	34,061	6,812	25,365	3.0%	10.4%	
200,000 - 500,000	175,536	211,551	248,039	304,317	72,503	14,501	18,553	7.2%	8.6%	
500,000 +	36,015	36,015	56,278	56,278	20,263	4,053	4,053	9.3%	1.8%	
	2,044,883	--	2,143,878	--	98,995	19,799	--	0.9%	100.0%	

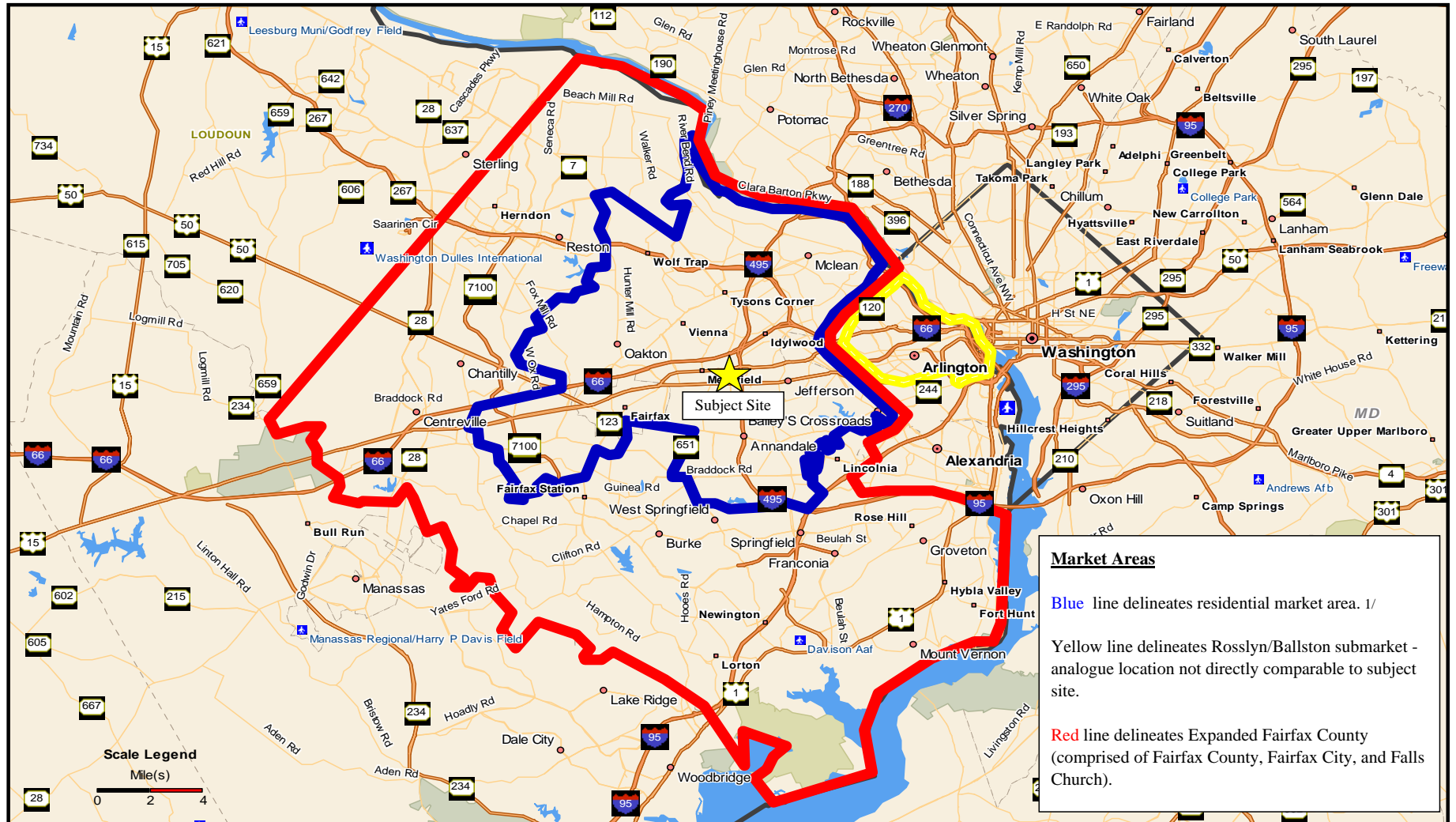
1/ Includes Fairfax County, Falls Church city, and Fairfax city.

Source: Claritas

II. FOR-SALE RESIDENTIAL MARKET

EXHIBIT II-1

FOR-SALE RESIDENTIAL MARKET AREA
FAIRFAX COUNTY, VIRGINIA
2010



The residential market area represents both the source of majority of demand for new homes at the subject site and the area of competitive supply to the Site. Comprised of zip codes: 22003 (Annandale); 22213, 22207, and 22205 (Arlington); 22027 (DunnL Loring); 22031 and 22030 (Fairfax); 22046, 22044, 22043, 22042, and 22041 (Fall Church); 22067 (Greenway); 22102 and 22101 (McLean); 22124 (Oakton); 22151 (Springfield); 22182, 22181, and 22180 (Vienna).

EXHIBIT II-2

**FOR-SALE RESIDENTIAL SUBMARKET PERFORMANCE
EXPANDED FAIRFAX COUNTY, VIRGINIA
2010**

	<u>Residential Market Area</u>		<u>Expanded Fairfax County</u>		<u>Washington, DC-VA-MD-WV Metro</u>
2010 Demographics					
Total Population	384,908		1,085,598		5,438,913
% DC Metro	7.1%		20.0%		100.0%
Total Households	143,304		397,793		2,044,883
5-Year Projected CAGR	0.3%		0.4%		0.9%
Average Household Size	2.6		2.7		2.6
Median Household Income	\$105,217		\$105,236		\$85,983
5-Year Projected CAGR	1.9%		2.0%		2.1%
New For-Sale Residential Market Factors - 2010					
New Home Sales - Attached	364	(3)	488	(3)	5,592
Y/Y % Change	-18.0%		-15.7%		-18.9%
New Home Sales - Detached	31	(3)	224	(3)	5,741
Y/Y % Change	-34.8%		4.2%		9.3%
New Home Sales - Total	395	(3)	712	(3)	11,333
Y/Y % Change	-19.6%		-10.3%		-6.7%
Median New Home Price - Attached	\$577,000		\$424,774		\$388,862
Premium/(Discount) to DC Metro	48.4%		9.2%		n/a
Y/Y % Change	8.4%		1.7%		4.7%
Median New Home Price - Detached	\$1,414,215		\$803,556		\$475,620
Premium/(Discount) to DC Metro	197.3%		68.9%		n/a
Y/Y % Change	27.6%		7.1%		-5.6%

(1) Full-year estimate based on first three quarters.

Sources: Claritas, Hanley-Wood, NVAR

EXHIBIT II-3
HISTORICAL SALES TRENDS
WASHINGTON DC METRO AREA AND EXPANDED FAIRFAX COUNTY
2000 - 3Q2010

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		Average	
											YTD	Proj.	2000-10	2005-10
Residential Market Area														
New Home Sales														
<u>Attached</u>														
Sales Volume	--	--	--	--	--	1,575	1,099	646	488	444	273	364	--	769
Y/Y% Change	--	--	--	--	--	--	-30%	-41%	-24%	-9%	n/a	-18%	--	--
Median Sale Price (\$)	--	--	--	--	--	437,650	413,000	467,000	520,250	532,152	577,000	--	--	491,175
Y/Y% Change	--	--	--	--	--	--	-6%	13%	11%	2%	8%	--	--	6%
<u>Detached</u>														
Sales Volume	--	--	--	--	--	158	76	48	65	47	23	31	--	71
Y/Y% Change	--	--	--	--	--	--	-52%	-37%	35%	-28%	n/a	-35%	--	--
Median Sale Price (\$)	--	--	--	--	--	1,028,727	1,305,209	1,367,919	928,793	1,108,024	1,414,215	--	--	1,192,148
Y/Y% Change	--	--	--	--	--	--	27%	5%	-32%	19%	28%	--	--	7%
<u>Total (Attached + Detached)</u>														
Sales Volume	--	--	--	--	--	1,733	1,175	694	553	491	296	395	--	840
Y/Y% Change	--	--	--	--	--	--	-32%	-41%	-20%	-11%	n/a	-20%	--	--
% of Expanded Fairfax	--	--	--	--	--	40%	37%	39%	70%	62%	55%	55%	--	31%
% of DC Metro	--	--	--	--	--	6%	4%	3%	4%	4%	3%	3%	--	4%
Expanded Fairfax County (1)														
New Home Sales														
<u>Attached</u>														
Sales Volume	--	--	--	--	--	3,296	2,588	1,444	544	579	366	488	--	1,490
Y/Y% Change	--	--	--	--	--	--	-21%	-44%	-62%	6%	n/a	-16%	--	--
Median Sale Price (\$)	--	--	--	--	--	420,243	376,988	384,829	431,129	417,877	424,774	--	--	409,307
Y/Y% Change	--	--	--	--	--	--	-10%	2%	12%	-3%	2%	--	--	0%
<u>Detached</u>														
Sales Volume	--	--	--	--	--	1,046	554	323	247	215	168	224	--	435
Y/Y% Change	--	--	--	--	--	--	-47%	-42%	-24%	-13%	n/a	4%	--	--
Median Sale Price (\$)	--	--	--	--	--	793,450	866,675	827,113	800,000	750,425	803,556	--	--	806,870
Y/Y% Change	--	--	--	--	--	--	9%	-5%	-3%	-6%	7%	--	--	0%
<u>Total (Attached + Detached)</u>														
Sales Volume	4,066	3,686	3,271	3,383	4,349	4,342	3,142	1,767	791	794	534	712	2,739	2,739
Y/Y% Change	--	-9%	-11%	3%	29%	0%	-28%	-44%	-55%	0%	n/a	-10%	--	--
Existing Home Sales														
<u>Total (Attached + Detached)</u>														
Sales Volume	18,504	18,171	20,186	23,074	24,350	21,841	15,510	12,682	9,970	9,941	7,778	10,371	16,546	12,954
Y/Y% Change	--	-2%	11%	14%	6%	-10%	-29%	-18%	-21%	0%	n/a	4%	--	--
Median Sale Price (\$)	205,578	226,643	263,229	306,227	376,383	469,845	473,728	460,739	416,094	389,889	428,025	--	365,125	439,720
Y/Y% Change	--	10%	16%	16%	23%	25%	1%	-3%	-10%	-6%	10%	--	8%	-2%
New Home Sales as % of Total	18%	17%	14%	13%	15%	17%	17%	12%	7%	7%	6%	6%	14%	17%

EXHIBIT II-3
HISTORICAL SALES TRENDS
WASHINGTON DC METRO AREA AND EXPANDED FAIRFAX COUNTY
2000 - 3Q2010

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		Average	
											YTD	Proj.	2000-10	2005-10
Washington, DC-VA-MD-WV Metro														
<u>Attached</u>														
Sales Volume	--	--	--	--	--	15,945	14,467	12,022	7,206	6,893	4,194	5,592	--	10,354
YY% Change	--	--	--	--	--		-9%	-17%	-40%	-4%	n/a	-19%	--	--
Median Sale Price (\$)	--	--	--	--	--	418,401	410,978	411,745	413,420	371,463	388,862		--	402,478
YY% Change	--	--	--	--	--		-2%	0%	0%	-10%	5%		--	-2%
<u>Detached</u>														
Sales Volume	--	--	--	--	--	14,998	11,665	8,026	5,278	5,253	4,306	5,741	--	8,494
YY% Change	--	--	--	--	--		-22%	-31%	-34%	0%	n/a	9%	--	--
Median Sale Price (\$)	--	--	--	--	--	644,176	686,947	663,489	591,792	503,629	475,620		--	594,276
YY% Change	--	--	--	--	--		7%	-3%	-11%	-15%	-6%		--	-6%
<u>Total (Attached + Detached)</u>														
Sales Volume	23,985	24,612	23,651	25,274	28,238	30,943	26,132	20,048	12,484	12,146	8,500	11,333	21,456	18,848
YY% Change		3%	-4%	7%	12%	10%	-16%	-23%	-38%	-3%	n/a	-7%	--	--
<u>Existing Home Sales</u>														
<u>Total (Attached + Detached)</u>														
Sales Volume	59,776	65,867	73,204	81,233	93,861	89,433	66,994	51,268	34,046	37,051	27,172	36,229	61,810	50,994
YY% Change	--	10%	11%	11%	16%	-5%	-25%	-23%	-34%	9%	n/a	-2%	--	--
Median Sale Price (\$)	165,745	178,267	207,018	247,779	299,673	375,051	383,019	380,973	350,508	310,651	314,167	--	292,077	352,395
YY% Change	--	8%	16%	20%	21%	25%	2%	-1%	-8%	-11%	1%	--	7%	-4%

(1) Larger than actual Residential Market Area for subject site. See map on Exhibit II-1. Expanded Fairfax shown here to provide additional context prior to 2005. Data not available prior to 2005 for specific Residential Market Area as defined by TCG.

Sources: Hanley-Wood, First American, NVAR

EXHIBIT II-4

**CURRENT INVENTORY
RESIDENTIAL MARKET AREA
2010**

<u>Project</u>	<u>City/Area</u>	<u>Builder/Developer</u>	<u>No. of Stories</u>	<u>Units</u>		<u>Avg Size</u>	<u>Average Price</u>		<u>Absorption (du/mo.)</u>
				<u>Currently Available</u>	<u>Total</u>		<u>Total</u>	<u>\$/sf</u>	
<i>Townhome</i>									
Main Street Residences	Fairfax City	Courtland Homes	TH	7	36	3,279	\$ 864,990	\$ 264	0.3
Huntington Reserve	Alexandria	KB Home	TH	71	85	2,062	\$ 507,990	\$ 246	1.6
Mc Shay at Madison Lane	Fairfax City	McShay Communities	TH	0	10	2,300	\$ 565,500	\$ 246	0.6
Kendall Square	Fairfax City	Stanley Martin Companies Inc	TH	3	73	2,358	\$ 579,240	\$ 246	1.8
Subotal / Weighted Average:		4 Projects		81	204	2,178	541,481	\$ 249	1.4
<i>Mid-Rise</i>									
Spectrum	Fairfax City	Waterford Development	Condo	189	189	853	\$ 389,900	\$ 457	0.0
Elan Condominium at East Market	Fair Lakes	Bush Companies	Condo	18	208	1,097	\$ 369,650	\$ 337	3.3
Four Winds at Oakton	Oakton	Orion Residential LLC	Condo	216	440	956	\$ 218,709	\$ 229	3.6
Subotal / Weighted Average:		3 Projects		423	837	916	301,622	\$ 329	2.7
<i>High-Rise</i>									
One Park Crest	Tysons Corner	West Group Management LLC	Condo	215	335	897	\$ 617,400	\$ 689	2.0
Midtown Alexandria	Alexandria	Kettler	Condo	56	368	921	\$ 339,263	\$ 368	4.6
Subotal / Weighted Average:		2 Projects		271	703	902	559,925	\$ 621	3.3
Total / Weighted Average:		9 Projects		775	1,744	1,043	417,014	\$ 400	2.8

Sources: Hanley-Wood; TCG

EXHIBIT II-5

COMPETITIVE FOR-SALE RESIDENTIAL COMMUNITIES MAP
RESIDENTIAL MARKET AREA
2010

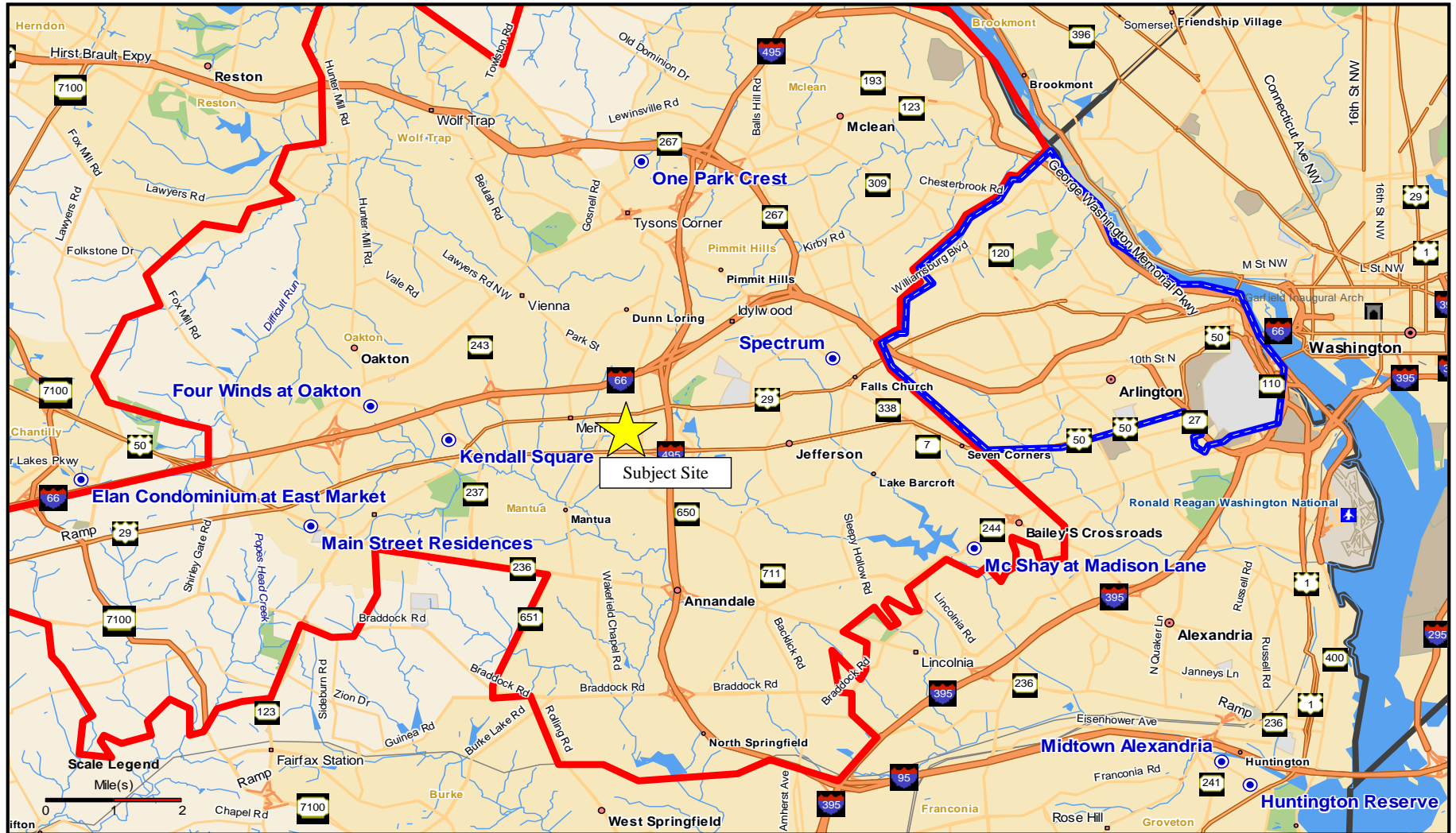


EXHIBIT II-6

**SELECTED LOCAL RESIDENTIAL RESALES
COMPETITIVE MARKET AREA
NOVEMBER 2010**

<u>Property / Location</u>	<u>Type / Year Built</u>	<u>Unit</u>	<u>Bed / Bath</u>	<u>Size (sf)</u>	<u>Sale Price</u>		<u>Sale Date</u>
					<u>Total</u>	<u>Per SF</u>	
Townhomes							
Providence Park	Townhomes	2822 Claudia Ct	3 / 3.5	1,876	\$615,000	\$328	5/17/2010
Hartland Rd & Providence Forest Dr	1998	8050 Yarmouth Forest Pl	3 / 3.5	1,741	564,999	325	9/30/2010
Vienna		2810 Laura Gae Cir	3 / 3.5	1,756	565,000	322	2/22/2010
		8077 Sebon Dr	3 / 3.5	1,741	560,000	322	5/14/2010
		2831 Grace Forest Pl	3 / 3.0	1,909	612,000	321	10/22/2010
		2823 Charles Dunn Dr	3 / 3.0	1,925	607,700	316	7/1/2010
		Average (6 Sales):		1,825	587,450	322	
Metro Place At Dunn Loring	Townhomes	2729 Manhattan Pl	4 / 2.5	1,586	\$528,000	\$333	8/27/2010
Park Tower Dr & Manhattan Pl	2001	2765 Manhattan Pl	4 / 3.5	2,424	629,000	259	7/30/2010
Vienna		Average (5 Sales):		2,005	578,500	296	
Lakeford	Townhomes	7945 Yancey Dr	3 / 3.5	1,792	\$515,000	\$287	4/27/2010
Yancey Dr & Fairview Park Dr	1985	7956 Yancey Dr	3 / 3.5	2,324	470,000	202	12/2/2009
Falls Church		Average (2 Sales):		2,058	492,500	245	
Dunn Loring Village	Townhomes	2832 Andiron Ln	3 / 2.5	1,288	\$380,000	\$295	10/22/2010
Hilltop Rd & Andiron Ln	1980	2807 Knollside Ln	3 / 3.0	1,585	414,000	261	9/30/2010
Vienna		2755 Knollside Ln	3 / 3.0	2,014	425,000	211	8/25/2010
		2755 Knollside Ln	3 / 3.0	1,882	414,000	220	5/27/2010
		2755 Knollside Ln	3 / 3.0	1,652	410,000	248	4/21/2010
		8649 Dellway Ln	3 / 3.0	2,545	435,000	171	4/5/2010
		8649 Dellway Ln	4 / 3.5	2,300	414,000	180	2/26/2010
		Average (6 Sales):		1,895	413,143	227	

EXHIBIT II-6

**SELECTED LOCAL RESIDENTIAL RESALES
COMPETITIVE MARKET AREA
NOVEMBER 2010**

<u>Property / Location</u>	<u>Type / Year Built</u>	<u>Unit</u>	<u>Bed / Bath</u>	<u>Size (sf)</u>	<u>Sale Price</u>		<u>Sale Date</u>
					<u>Total</u>	<u>Per SF</u>	
Flats							
Wilton House 2726 Gallows Rd Vienna	Flats (14 story) 2005	Unit 1405	1 / 1.0	719	\$259,000	\$360	8/5/2010
		Unit 1211	2 / 2.0	969	325,000	335	6/30/2010
		Unit 810	1 / 1.0	797	265,000	332	4/16/2010
		Unit 611	2 / 2.0	970	321,900	332	5/4/2010
		Unit 1011	2 / 2.0	969	305,000	315	12/30/2009
		Unit 402	0 / 1.0	543	166,188	306	5/28/2010
		Unit 802	0 / 1.0	543	155,000	285	10/28/2010
		Unit 1304	1 / 1.0	1,050	288,000	274	10/22/2010
		Unit 808	2 / 2.0	1,224	309,000	252	10/7/2010
		Average (9 Sales):				865	266,010
Westbriar Plaza Gallows Rd & Park Tower Dr Vienna	Flats (5 story) 2000-2004	2710 Bellforest Ct #201	1 / 1.5	899	\$273,000	\$304	5/27/2010
		2710 Bellforest Ct #302	2 / 2.0	1,058	320,000	302	5/6/2010
		2701 Bellforest Ct #204	2 / 2.0	1,185	343,000	289	5/12/2010
		8183 Carnegie Hall Ct #409	2 / 3.0	1,126	325,000	289	5/28/2010
		2700 Belleforest Ct #103	2 / 2.5	1,246	340,000	273	10/6/2010
		8183 Carnegie Hall Ct #307	2 / 2.0	1,148	310,000	270	10/14/2010
		2701 Belleforest Ct #403	3 / 3.0	1,366	310,000	227	10/4/2010
		2653 Park Tower Dr #109	2 / 2.5	1,590	355,000	223	9/17/2010
		2651 Park Tower Dr #110	2 / 2.5	1,590	350,000	220	8/24/2010
		2665 Manhattan Pl #108	2 / 2.5	1,710	367,000	215	7/6/2010
Average (10 Sales):				1,292	329,300	261	
Halstead At The Metro 2665 Prosperity Ave Fairfax	Flats (5 story) 2006	Unit 419	1 / 1.0	835	\$292,000	\$350	5/28/2010
		Unit 347	1 / 1.0	695	235,000	338	6/30/2010
		Unit 134	1 / 1.0	704	220,000	313	8/13/2010
		Unit 436	1 / 1.0	827	255,000	308	11/12/2010
		Unit 455	2 / 1.0	998	307,000	308	6/8/2010
		Unit 223	2 / 2.0	1,105	333,500	302	7/12/2010
		Unit 444	1 / 1.0	898	270,000	301	10/29/2010
		Unit 323	2 / 2.0	1,105	330,000	299	5/21/2010
		Unit 122	2 / 2.0	1,150	326,500	284	9/27/2010
Average (9 Sales):				924	285,444	311	

EXHIBIT II-6

SELECTED LOCAL RESIDENTIAL REALES
COMPETITIVE MARKET AREA
NOVEMBER 2010

- A - Providence Park
- B - Westbriar Plaza & Metro Place at Dunn Loring
- C - Lakeford

- D - Dunn Loring Village
- E - Wilton House
- F - Halstead at the Metro

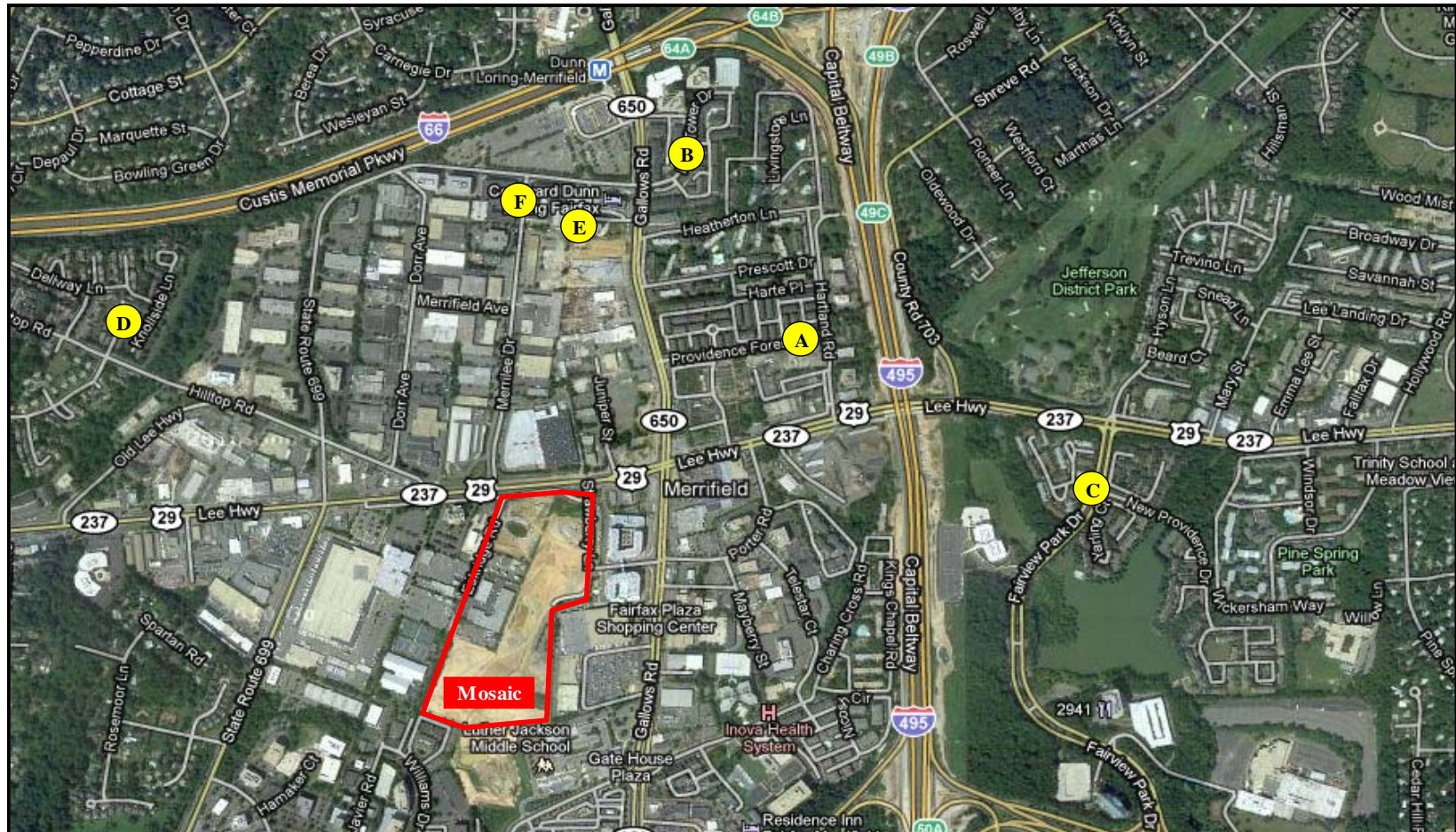


EXHIBIT II-7

FOR-SALE RESIDENTIAL DEMAND PROJECTION
RESIDENTIAL MARKET AREA
2011 THROUGH 2015

Income Range	Affordable Home Price /1	Demand Pool /2					Home Buyer Pool /4		New Home Buyer Pool /5				Share of Qual.
		Existing Households /3		New HHs	Total	Buy vs. Rent		% Buy New	Total	Share	Demand Over		
		Num.	Turnover			Moving	Percent					Total	
\$0 - \$25,000	\$0 - \$100,000	9,580	10%	958	-155	803	15%	120	10%	12	1%	1,042	
25,000 - 35,000	100,000 - 130,000	5,720	10%	572	-152	420	25%	105	10%	11	1%	1,030	
35,000 - 50,000	130,000 - 170,000	10,623	10%	1,062	-292	770	35%	270	10%	27	3%	1,019	
50,000 - 75,000	170,000 - 240,000	21,380	10%	2,138	-368	1,770	50%	885	10%	89	8%	992	
75,000 - 100,000	240,000 - 330,000	20,768	10%	2,077	-260	1,817	60%	1,090	10%	109	10%	904	12%
100,000 - 125,000	330,000 - 420,000	17,161	10%	1,716	-1	1,716	70%	1,201	10%	120	12%	795	13%
125,000 - 150,000	420,000 - 510,000	13,807	10%	1,381	85	1,466	80%	1,172	10%	117	11%	675	13%
150,000 - 200,000	510,000 - 680,000	19,011	10%	1,901	169	2,070	90%	1,863	10%	186	18%	557	21%
200,000 +	680,000 +	25,254	10%	2,525	1,380	3,906	95%	3,711	10%	371	36%	371	41%
	Total:	143,304	10%	14,330	406	14,737	71%	10,417	10%	1,042	100%		100%
	\$240K+:	96,001	10%	9,600	1,374	10,974	82%	9,037	10%	904			

Footnotes:

- /1 Assumes range of 25-33% of income applied to housing, with 30-year fixed mortgage rate of 6.0%, 20% down, \$100 HOA and 2.0% tax rate
- /2 New and existing households - Claritas
- /3 Turnover - American Community Survey (2009)
- /4 Ownership - American Community Survey (2009)
- /5 % Buy New - DataQuick

EXHIBIT II-8

**FUTURE FOR-SALE DEVELOPMENT
RESIDENTIAL MARKET AREA
2011 THROUGH 2015**

<u>City</u>	<u>Project</u>	<u>Builder/Developer</u>	<u>Location</u>	<u>Type</u>	<u>Units</u>	<u>Status</u>
McLean	Park Crest	Penrose / Donohoe	Park Run Dr & Westpark Dr	Condo	534	Under Const.
Fairfax	Metrowest (Sec 4)	Pulte Homes	Lee Hwy & Fairlee Dr	Condo	280	Approved
Fairfax	Metrowest (Sec 1)	Pulte	Lee Hwy & Fairlee Dr	TH	218	Approved
Fairfax	Metrowest (Sec 3)	Pulte	Lee Hwy & Fairlee Dr	TH	122	Approved
Falls Church	The Gateway	Akridge	500-520 North Washington	Condo	160	Proposed
McLean	Elm Street Townhomes	JBG/EYA	Fleetwood Rd & Elm St	TH	49	Proposed
					<hr/>	
			Under Const.		534	
			Approved		620	
			Proposed		209	
			Total		<hr/> 1,363	

EXHIBIT II-8

**FUTURE FOR-SALE DEVELOPMENT
RESIDENTIAL MARKET AREA
2011 THROUGH 2015**

I. Overview by Status

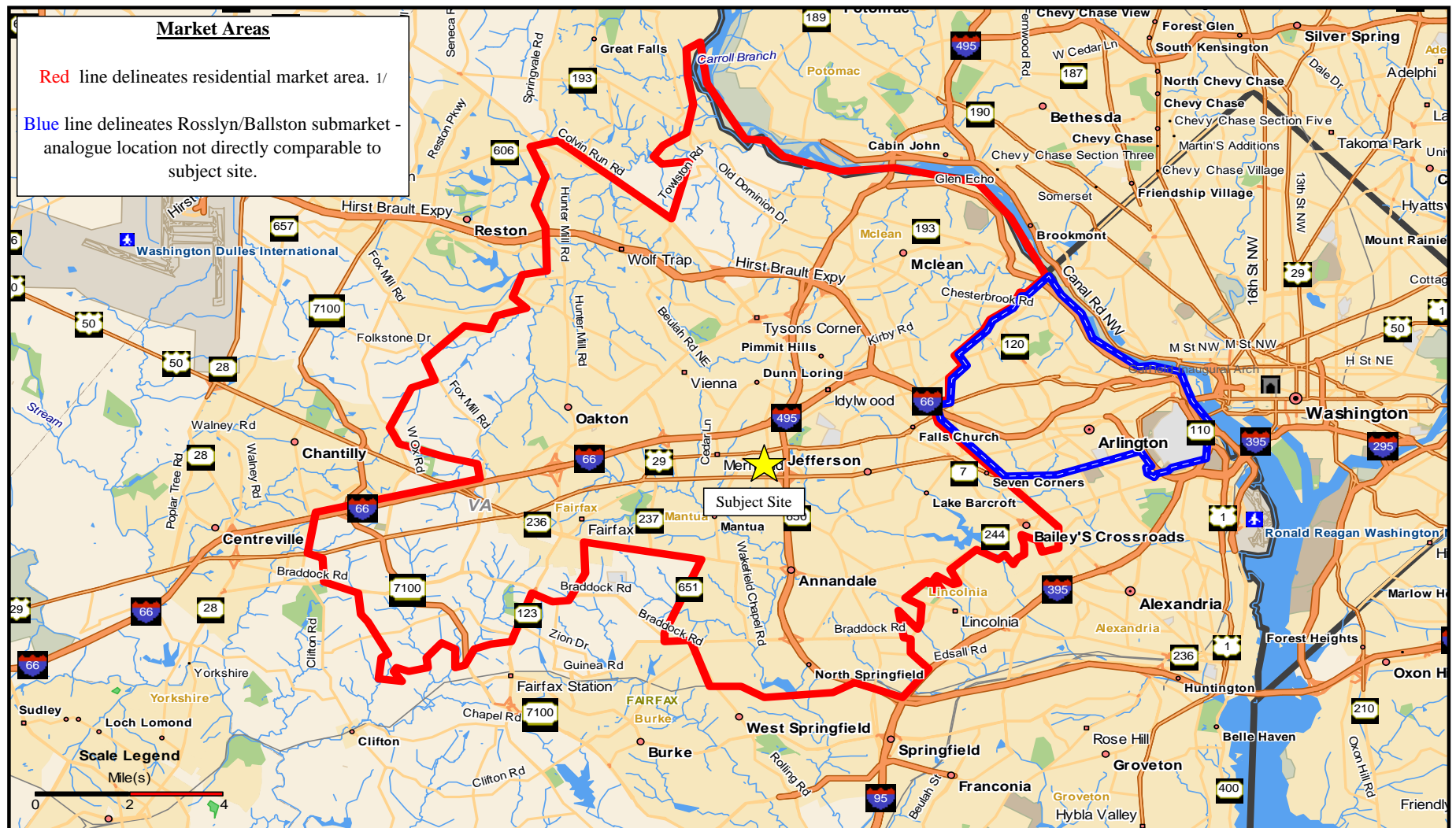
Under Construction	534
Subject Site	114
Approved	620
Proposed	209
Total	1,477

II. Supply Projection and Timing

	Completion Likelihood	Total	Project Market Timeline									
			2011		2012		2013		2014		2015	
			Timing	Future Units	Timing	Future Units	Timing	Future Units	Timing	Future Units	Timing	Future Units
Under Construction	100%	534	100%	534	0%	0	0%	0	0%	0	0%	0
Subject Site	100%	114	11%	12	32%	36	32%	36	26%	30	0%	0
Approved	75%	465	0%	0	25%	116	25%	116	25%	116	25%	116
Proposed	50%	105	0%	0	10%	10	25%	26	25%	26	25%	26
Total		1,218		546		163		178		172		142

III. APARTMENT MARKET

EXHIBIT III-1
APARTMENT MARKET AREA
FAIRFAX COUNTY, VIRGINIA
2010



The residential market area represents both the source of majority of demand for new rental apartment homes at the subject site and the area of competitive supply to the Site. Comprised of zip codes: 22003 (Annandale); 22213, 22207, and 22205 (Arlington); 22027 (DunnLoring); 22031 and 22030 (Fairfax); 22046, 22044, 22043, 22042, and 22041 (Fall Church); 22067 (Greenway); 22102 and 22101 (McLean); 22124 (Oakton); 22151 (Springfield); 22182, 22181, and 22180 (Vienna).

EXHIBIT III-2

**APARTMENT SUBMARKET PERFORMANCE
NORTHERN VIRGINIA AND DISTRICT OF COLUMBIA
2010**

	<u>Market Area</u>	<u>Rosslyn/Ballston</u>	<u>DC / Northern VA</u>
2010 Demographics			
Total Population	384,908	115,891	2,901,659
% DC/NoVa	13.3%	4.0%	100.0%
Total Households	143,304	53,743	1,120,457
5-Year Projected CAGR (1)	0.3%	1.0%	1.1%
Average Household Size	2.6	2.1	2.5
Median Household Income	\$105,217	\$104,836	\$89,473
5-Year Projected CAGR (1)	1.9%	2.7%	2.2%
Rental Housing Market			
Renter Households	48,723	27,946	392,160
% Total Households	34%	52%	35%
% DC/NoVa	12.4%	7.1%	100.0%
3Q10 Rental Market Factors (Class A)			
Inventory (Units)	8,472	10,534	110,573
LTM % Change	13.9%	3.9%	1.6%
% DC/NoVa	7.7%	9.5%	100.0%
Vacancy Rate	9.9%	5.3%	5.5%
Average Asking Rent (\$)	\$1,560	\$2,045	\$1,652
LTM % Change	-1.2%	0.9%	3.2%
3Q10 Rental Market Factors (Class B & C)			
Inventory (Units)	14,130	5,694	137,216
LTM % Change	0.0%	-7.4%	-0.2%
% DC/NoVa	10.3%	4.1%	100.0%
Vacancy Rate	5.2%	3.3%	5.4%
Average Asking Rent (\$)	\$1,391	\$1,419	\$1,153
LTM % Change	2.1%	3.1%	0.0%

EXHIBIT III-3

**APARTMENT HISTORICAL TRENDS
NORTHERN VIRGINIA AND DISTRICT OF COLUMBIA
1995 - 2010**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	3Q2010	1995-3Q10 Average
Market Area																	
Class A																	
Inventory (Units)	5,733	5,733	6,643	7,267	7,467	7,467	7,889	7,387	7,387	6,799	6,498	6,062	6,562	7,189	7,435	8,472	6,999
% Change	NA	0.0%	15.9%	9.4%	2.8%	0.0%	5.7%	-6.4%	0.0%	-8.0%	-4.4%	-6.7%	8.2%	9.6%	3.4%	13.9%	2.7%
% of DC/NoVa	8.3%	8.2%	9.2%	9.7%	9.6%	9.2%	9.1%	8.0%	7.8%	7.1%	7.0%	6.4%	6.5%	6.9%	6.8%	7.7%	7.8%
Vacancy Rate (%)	3.8%	4.3%	4.0%	1.9%	1.8%	0.5%	5.3%	5.0%	4.0%	3.2%	2.5%	5.4%	4.3%	6.4%	6.0%	9.0%	4.1%
Vacant Units	218	246	267	137	136	38	417	370	294	219	164	327	262	411	403	646	285
Deliveries	0	0	910	624	200	0	422	0	0	46	0	0	500	627	246	1,037	293
Asking Rent (\$)	\$913	\$942	\$993	\$1,048	\$1,173	\$1,352	\$1,417	\$1,392	\$1,402	\$1,423	\$1,460	\$1,543	\$1,569	\$1,591	\$1,535	\$1,587	\$1,334
% Change	NA	3.2%	5.4%	5.5%	11.9%	15.3%	4.8%	-1.8%	0.7%	1.5%	2.6%	5.7%	1.7%	1.4%	-3.5%	3.4%	3.8%
Class B & C																	
Inventory (Units)	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,139	14,081	13,905	14,130	14,130	14,130	14,130	14,180
% Change		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.8%	-0.4%	-1.2%	1.6%	0.0%	0.0%	0.0%	-0.1%
% of DC/NoVa	10.5%	10.4%	10.4%	10.4%	10.3%	10.3%	10.3%	10.2%	10.2%	10.2%	10.3%	10.2%	10.3%	10.3%	10.3%	10.3%	10.3%
Vacancy Rate (%)	2.9%	2.8%	2.9%	1.6%	1.3%	0.4%	3.2%	5.1%	5.0%	4.0%	3.6%	3.6%	4.0%	4.6%	5.3%	4.6%	3.4%
Vacant Units	408	399	407	231	186	57	458	722	710	570	511	503	563	657	752	649	486
Deliveries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Asking Rent (\$)	\$775	\$782	\$810	\$831	\$887	\$1,009	\$1,097	\$1,093	\$1,121	\$1,156	\$1,193	\$1,254	\$1,313	\$1,333	\$1,381	\$1,425	\$1,091
% Change		0.8%	3.6%	2.6%	6.8%	13.7%	8.8%	-0.4%	2.5%	3.1%	3.2%	5.1%	4.7%	1.5%	3.6%	3.2%	4.2%
Rosslyn/Ballston																	
Class A																	
Inventory (Units)	4,375	4,693	5,053	5,458	6,022	6,241	6,972	7,850	8,378	8,520	8,439	8,217	8,915	9,286	10,142	10,534	7,443
% Change		7.3%	7.7%	8.0%	10.3%	3.6%	11.7%	12.6%	6.7%	1.7%	-1.0%	-2.6%	8.5%	4.2%	9.2%	3.9%	6.1%
% of DC/NoVa	6.3%	6.7%	7.0%	7.3%	7.7%	7.7%	8.0%	8.5%	8.8%	8.9%	9.1%	8.7%	8.8%	8.9%	9.3%	9.5%	8.3%
Vacancy Rate (%)	3.5%	3.7%	3.1%	1.3%	0.9%	0.8%	3.4%	7.1%	5.4%	3.6%	3.5%	3.6%	4.2%	6.7%	6.7%	5.3%	4.2%
Vacant Units	152	175	157	71	55	50	236	556	454	308	293	296	372	621	682	559	315
Deliveries	0	318	360	405	564	219	731	878	528	142	151	0	698	371	594	208	392
Asking Rent (\$)	\$1,134	\$1,174	\$1,223	\$1,266	\$1,390	\$1,583	\$1,637	\$1,661	\$1,721	\$1,817	\$1,778	\$1,884	\$2,020	\$2,072	\$2,025	\$2,045	\$1,652
% Change		3.5%	4.2%	3.5%	9.8%	13.9%	3.4%	1.5%	3.6%	5.6%	-2.1%	6.0%	7.2%	2.6%	-2.3%	1.0%	4.1%
Class B & C																	
Inventory (Units)	6,357	6,357	6,357	6,357	6,357	6,357	6,357	6,357	6,357	6,357	6,150	6,150	6,150	6,150	6,150	5,694	6,251
% Change		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-3.3%	0.0%	0.0%	0.0%	0.0%	-7.4%	-0.7%
% of DC/NoVa	4.7%	4.7%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.5%	4.5%	4.5%	4.5%	4.5%	4.1%	4.5%
Vacancy Rate (%)	3.7%	3.5%	3.3%	1.5%	0.5%	0.8%	2.8%	3.1%	3.5%	3.1%	3.8%	2.4%	1.8%	3.2%	4.8%	3.3%	2.8%
Vacant Units	234	223	208	94	32	51	177	197	224	198	232	149	110	197	297	187	176
Deliveries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Asking Rent (\$)	\$775	\$780	\$821	\$831	\$913	\$978	\$1,065	\$1,082	\$1,103	\$1,146	\$1,211	\$1,265	\$1,335	\$1,355	\$1,362	\$1,419	\$1,090
% Change		0.6%	5.3%	1.2%	9.9%	7.1%	8.9%	1.6%	1.9%	3.9%	5.7%	4.5%	5.5%	1.5%	0.5%	4.2%	4.2%

EXHIBIT III-3

**APARTMENT HISTORICAL TRENDS
NORTHERN VIRGINIA AND DISTRICT OF COLUMBIA
1995 - 2010**

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>3Q2010</u>	<u>1995-3Q10 Average</u>
DC / Northern Virginia																	
Class A																	
Inventory (Units)	69,058	70,076	72,256	74,857	78,059	80,975	86,699	91,945	95,108	95,311	93,244	94,787	100,840	104,913	108,818	110,573	89,220
<i>% Change</i>		1.5%	3.1%	3.6%	4.3%	3.7%	7.1%	6.1%	3.4%	0.2%	-2.2%	1.7%	6.4%	4.0%	3.7%	1.6%	3.2%
Vacancy Rate (%)	3.4%	3.1%	3.1%	1.6%	1.4%	1.2%	4.2%	5.7%	5.6%	6.1%	4.2%	5.1%	6.1%	6.1%	6.3%	5.5%	4.5%
Vacant Units	2,325	2,152	2,210	1,227	1,066	973	3,601	5,256	5,331	5,823	3,908	4,812	6,183	6,413	6,845	6,123	4,016
Deliveries	1,118	1,018	2,180	2,601	3,202	2,916	5,724	5,748	3,593	3,077	2,115	2,724	6,053	4,073	3,905	1,755	3,289
Asking Rent (\$)	\$2,086	\$2,175	\$2,323	\$2,506	\$2,888	\$3,374	\$3,770	\$4,004	\$4,120	\$4,202	\$4,284	\$4,483	\$4,938	\$5,006	\$5,024	\$5,210	\$3,774
<i>% Change</i>		4.3%	6.8%	7.8%	15.3%	16.8%	11.7%	6.2%	2.9%	2.0%	2.0%	4.6%	10.2%	1.4%	0.4%	3.7%	6.4%
Class B & C																	
Inventory (Units)	135,653	136,567	137,051	137,416	137,706	138,288	138,821	139,100	139,112	139,002	136,696	135,775	137,702	137,531	137,531	137,216	137,573
<i>% Change</i>		0.7%	0.4%	0.3%	0.2%	0.4%	0.4%	0.2%	0.0%	-0.1%	-1.7%	-0.7%	1.4%	-0.1%	0.0%	-0.2%	0.1%
Vacancy Rate (%)	3.9%	3.9%	3.4%	1.8%	1.6%	1.1%	3.1%	4.0%	4.0%	4.1%	3.9%	4.0%	4.7%	4.7%	5.9%	5.4%	3.7%
Vacant Units	5,273	5,264	4,704	2,456	2,209	1,575	4,281	5,528	5,602	5,661	5,367	5,407	6,412	6,452	8,137	7,378	5,107
Deliveries	324	914	484	365	290	582	533	279	119	0	0	563	745	65	0	0	334
Asking Rent (\$)	\$1,751	\$1,778	\$1,839	\$1,901	\$2,052	\$2,237	\$2,412	\$2,479	\$2,541	\$2,620	\$2,689	\$2,809	\$3,007	\$3,071	\$3,082	\$3,138	\$2,463
<i>% Change</i>		1.6%	3.4%	3.4%	8.0%	9.0%	7.8%	2.8%	2.5%	3.1%	2.6%	4.5%	7.1%	2.1%	0.3%	1.8%	4.0%
United States																	
Class A																	
Vacancy Rate (%)	--	--	--	--	--	3.6%	5.7%	7.3%	7.6%	7.1%	5.7%	5.9%	5.9%	7.1%	8.2%	6.7%	6.4%
Asking Rent (\$)	--	--	--	--	--	\$1,027	\$1,045	\$1,050	\$1,062	\$1,080	\$1,105	\$1,149	\$1,195	\$1,221	\$1,187	\$1,198	\$1,120
<i>% Change</i>	--	--	--	--	--	--	1.8%	0.5%	1.1%	1.7%	2.3%	4.0%	4.0%	2.2%	-2.8%	0.9%	1.6%
Class B & C																	
Vacancy Rate (%)	--	--	--	--	--	3.0%	4.2%	5.7%	6.5%	6.5%	5.8%	5.8%	5.7%	6.5%	8.1%	7.4%	5.9%
Asking Rent (\$)	--	--	--	--	--	\$724	\$753	\$762	\$771	\$786	\$806	\$835	\$870	\$889	\$872	\$877	\$813
<i>% Change</i>	--	--	--	--	--	--	4.0%	1.2%	1.2%	1.9%	2.5%	3.6%	4.2%	2.2%	-1.9%	0.6%	2.0%

Source: REIS

EXHIBIT III-4

**CURRENT INVENTORY OF COMPARABLE RENTAL COMMUNITIES
APARTMENT MARKET AREA
NOVEMBER 2010**

Project	City/Area	Year Built	Stories	Total Units	Occ. Rate	Unit Size			Gross Rent - Total			Gross Rent - \$/sf			Avg. Conc. ^{1/}	Avg Net Rent	
						Min.	Max.	Avg.	Min.	Max.	Avg.	Min.	Max.	Avg.		Total	\$/sf
Crescent Falls Church	Arlington	2010	5	267	28%	758	2,846	1,370	2,684	6,024	4,120	2.09	3.54	3.01	0	\$4,120	\$3.01
Lofts at Park Crest	McLean	2008	5	131	98%	740	1,610	1,043	1,999	5,255	2,907	1.60	3.31	2.79	0	\$2,907	\$2.79
Vantage at Merrifield	Falls Church	2007	6	270	97%	759	2,076	1,334	1,615	4,300	3,357	2.04	3.57	2.52	0	\$3,357	\$2.52
Reserve at Tyson's Corner	Vienna	2010	4	478	62%	758	1,356	751	1,252	2,640	1,627	1.19	2.24	2.17	0	\$1,627	\$2.17
Carmel Vienna Metro	Fairfax	2008	4	250	95%	629	1,276	909	1,595	2,160	1,920	1.68	2.54	2.11	0	\$1,920	\$2.11
Pearson Square	Falls Church	2007	5	230	97%	839	1,800	1,243	992	3,600	2,521	0.85	2.32	2.03	0	\$2,521	\$2.03
The Falls at Flint Hill	Fairfax	2008	4	246	95%	761	1,602	1,093	1,764	2,583	2,218	1.60	2.48	2.03	92	\$2,126	\$1.94
Post Tyson's Corner	McLean	1990	6	499	96%	648	1,062	816	1,300	1,965	1,523	1.69	2.01	1.87	0	\$1,523	\$1.87
The Ridgewood Apartments	Fairfax	2010	4	292	25%	576	1,324	1,000	1,500	2,465	2,074	1.86	2.60	2.07	346	\$1,728	\$1.73
Merrill House Apartments	Falls Church	1964	5	159	98%	470	1,684	862	1,041	2,621	1,437	1.28	2.21	1.67	0	\$1,437	\$1.67
Subtotal/Average:			5	2,530	83%	712	1,622	1,007	\$1,537	\$3,210	\$2,276	\$1.56	\$2.59	\$2.20	\$9	\$2,267	\$2.19
					Avg. Occupancy of Projects Open 2+ Yrs:			96%									

1/ Concession calculated based off the amount of free rent being offered at each property as noted on Appendix A. (i.e., 2 free months rent would be divided over a 12 month period to arrive at the monthly concession number)

EXHIBIT III-4

CURRENT INVENTORY OF COMPARABLE RENTAL COMMUNITIES
APARTMENT MARKET AREA
NOVEMBER 2010

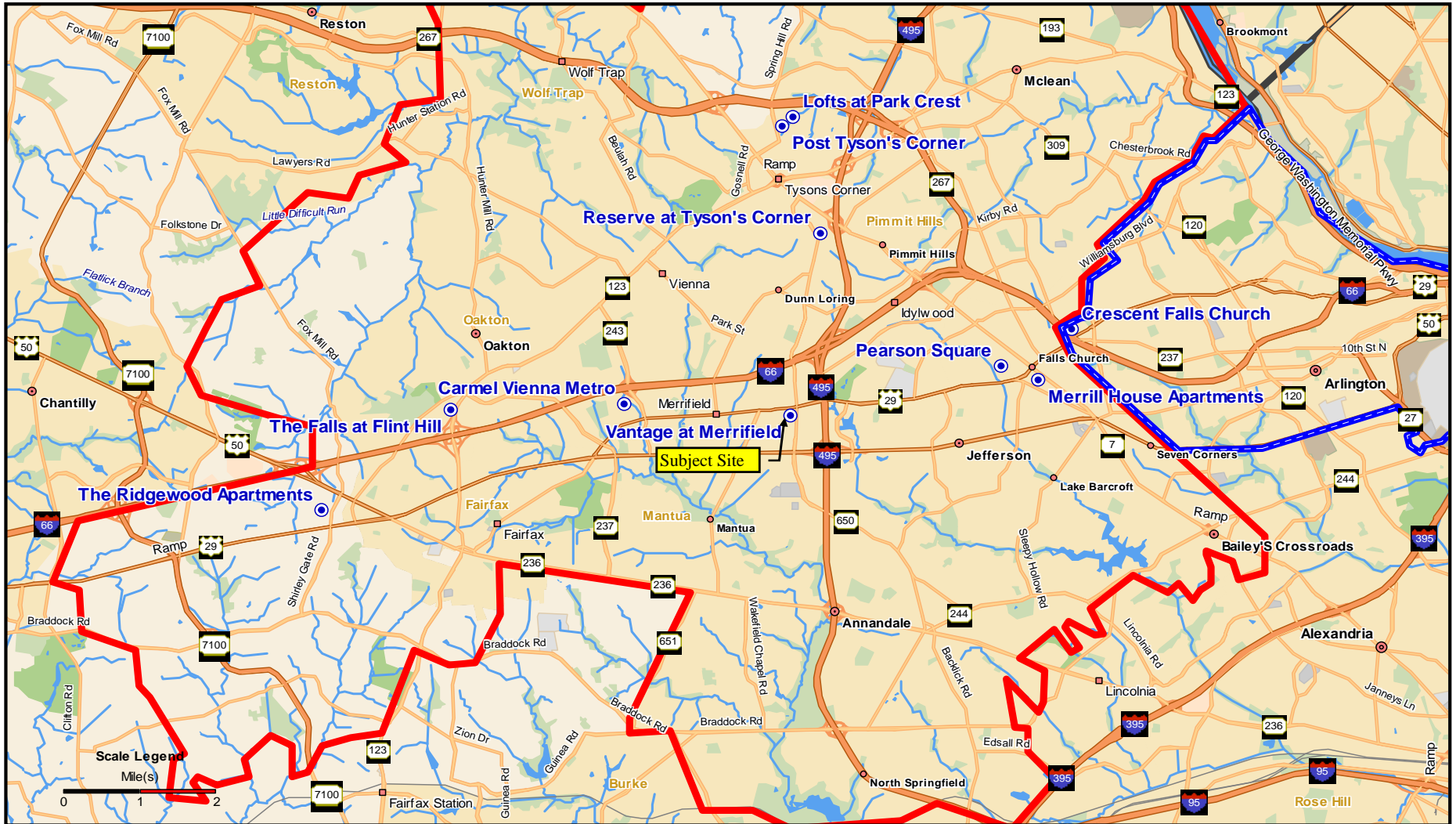


EXHIBIT III-5

**ANNUAL DEMAND POTENTIAL FOR NEW APARTMENT UNITS
APARTMENT MARKET AREA
NOVEMBER 2010**

- Based on household growth by income segment, and factoring in home rentership rates, affordability, and existing rental stock obsolescence, TCG forecasts demand for approximately 625 new apartment units above \$1,250 monthly rent per year.

	Household Income Range	Income to Housing	Affordable Monthly Rent	Total Households			Demand From Existing Households						Demand From New Households				
				2010	2015	5-Year Change	Adjusted HH Base	Renters Percent	Total	Annual Turnover Percent	Total	Rent New/Upgrade Percent	Total	Annual New HH	Renters Percent	Total	
	\$0 - \$35,000	35%	\$0 - \$1,020	15,300	13,764	-1,536	13,764	80%	12,240	45%	5,508	1.0%	55	0	80%	0	55
	35,000 - 50,000	30%	1,020 - 1,250	10,623	9,163	-1,460	9,163	65%	6,905	45%	3,107	1.0%	31	0	65%	0	31
Income Qualified	50,000 - 75,000	30%	1,250 - 1,880	21,380	19,540	-1,840	19,540	50%	10,690	45%	4,811	2.0%	96	0	50%	0	96
	75,000 - 100,000	30%	1,880 - 2,500	20,768	19,469	-1,299	19,469	40%	8,307	45%	3,738	2.0%	75	0	40%	0	75
	100,000 - 125,000	30%	2,500 - 3,130	17,161	17,158	-3	17,158	30%	5,148	45%	2,317	5.0%	116	0	30%	0	116
	125,000 - 150,000	30%	3,130 - 3,750	13,807	14,231	424	13,807	20%	2,761	45%	1,243	7.5%	93	85	20%	17	110
	150,000 - 200,000	25%	3,750 - 4,170	19,011	19,855	844	19,011	10%	1,901	45%	855	10.0%	86	169	10%	17	102
	200,000 +	25%	4,170 -	25,254	32,156	6,902	25,254	5%	1,263	45%	568	10.0%	57	1,380	5%	69	126
	Total:			143,304	145,336	2,032	137,166	34%	49,216	45%	22,147	2.7%	609	1,634	6%	103	711
	Income Qualified:			117,381	122,409	5,028	114,239	26%	30,071	45%	13,532	3.9%	522	1,634	6%	103	625

Demand over:	\$1,250	625
	1,880	529
	2,500	454
	3,130	338
	3,750	228
	4,170	126

EXHIBIT III-6

**FUTURE FOR-RENT DEVELOPMENT DATA
APARTMENT MARKET AREA
2010**

City	Project	Builder/Developer	Location	Units	Status	Comments
Fairfax	Halstead - Phase B	DSF Long Metro III LLC	Gallows Rd & Lee Hwy	436	Under Const.	
McLean	Avalon Park Crest	AvalonBay	Westpark Drive	354	Under Const.	
Fairfax	MetroWest Fairfax	Pulte	Lee Highway and Fairlee Dr	554	Approved	Based on current planned breakdown of rental vs. for-sale
Falls Church	City Center South	Atlantic Realty Companies	Washington and Broad	412	Approved	Part of +/- 1MM sf mixed-use development on 8.8 acres
Fairfax	Square 1400	N/A	Dorr Ave & Merrifield Ave	327	Approved	
Groveton	The District	Redbrick Development Group	2999 Memorial Street	290	Approved	
Reston	N/A	RAJ Development	New Dominion Pkwy & Explorer St	125	Approved	
Falls Church	Northgate	Hekemian	472 N. Washinton	105	Approved	
Alexandria	N/A	MHI Huntington	Huntington and Foley Street	47	Approved	
Fairfax	Britt Redevelopment	MGB Properties III LLC	11091 Fairfax Blvd	300	Proposed	
Fairfax	N/A	WPPI Fairfax	Ridge Top Road & Gov't Ctr. Pkwy	191	Proposed	On +/- 3 acres. May be condo or rental.
			Under Const.	790		
			Approved	1,860		
			Proposed	491		
			Total	3,141		

EXHIBIT III-6

**FUTURE FOR-RENT DEVELOPMENT DATA
APARTMENT MARKET AREA
2010**

I. Overview by Status

Under Construction	790
Subject Site	853
Approved	1,860
Proposed	491
Total	3,994

II. Supply Projection and Timing

	Completion Likelihood	Total	Project Market Timeline											
			2011		2012		2013		2014		2015		2016	
			Timing	Future Units	Timing	Future Units	Timing	Future Units	Timing	Future Units	Timing	Future Units	Timing	Future Units
Under Construction	100%	790	60%	474	40%	316	0%	0	0%	0	0%	0	0%	0
Subject Site	100%	853	0%	0	0%	0	0%	0	49%	420	46%	391	5%	42
Approved	75%	1,395	0%	0	20%	279	20%	279	15%	209	15%	209	15%	209
Proposed	50%	246	0%	0	10%	25	15%	37	15%	37	15%	37	15%	37
		3,284		474		620		316		666		637		288

IV. OFFICE MARKET

EXHIBIT IV-1
OFFICE MARKET AREA
FAIRFAX COUNTY, VIRGINIA
2010

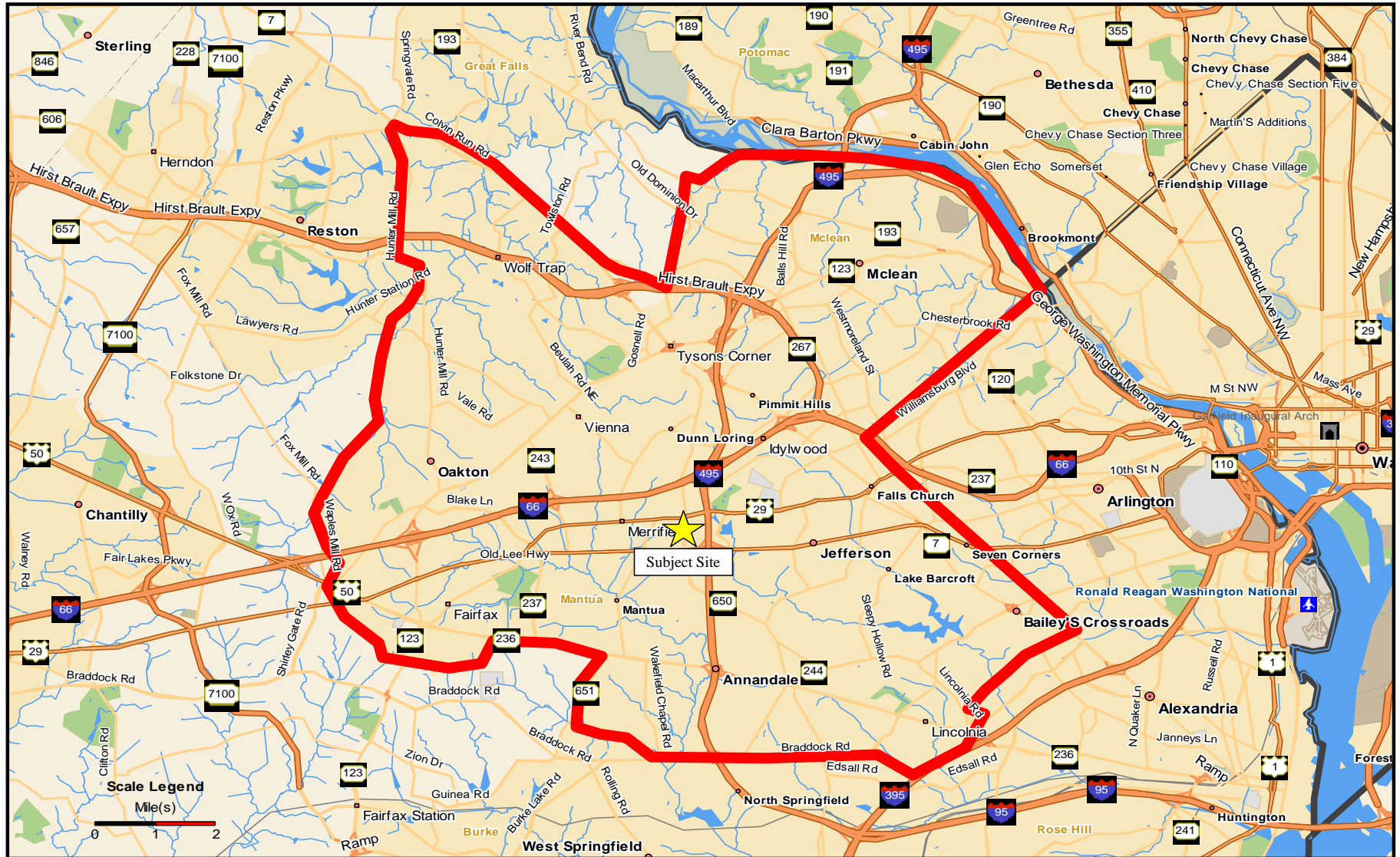


EXHIBIT IV-2

OFFICE SUBMARKET PERFORMANCE
WASHINGTON, DC METRO AREA AND EXPANDED FAIRFAX COUNTY, VIRGINIA
2010

	<u>Office Market Area</u>	<u>Expanded Fairfax County</u>	<u>Washington, DC-VA-MD-WV Metropolitan Area</u>
Demographics			
Total Population	349,662	1,085,598	5,438,913
Total Households	130,443	397,793	2,044,883
5-Year Projected CAGR	0.2%	0.4%	0.9%
Average Household Size	2.7	2.7	2.6
Median Household Income	\$101,608	\$105,236	\$85,983
5-Year Projected CAGR	2.0%	2.0%	2.1%
3Q2010 Office Market Factors			
Rentable Building Area (SF)	52,004,314	117,277,488	464,875,513
LTM % Change	0.6%	0.9%	1.2%
LTM Deliveries (SF)	307,700	1,022,200	5,652,494
LTM Net Absorption (SF)	(477,419)	229,960	4,881,890
Vacancy Rate	14.3%	15.3%	13.2%
Vacant Stock (SF)	7,454,851	17,894,773	61,278,604
Asking Rent	\$28.93	\$27.54	\$33.60
LTM % Change	1.4%	-1.0%	2.4%

Sources: Claritas; CoStar

EXHIBIT IV-3

OFFICE MACRO TRENDS
WASHINGTON, DC METRO AREA AND EXPANDED FAIRFAX COUNTY, VIRGINIA
2000 THROUGH 2010

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	1-3Q 2010	Average
Office Market Area												
RBA	44,891,307	48,104,983	49,838,445	50,152,693	50,043,754	50,043,754	50,443,468	50,440,708	51,312,025	51,973,744	51,941,394	49,926,025
Annual % Change		7.2%	3.6%	0.6%	-0.2%	0.0%	0.8%	0.0%	1.7%	1.3%	-0.1%	1.5%
Deliveries	926,187	3,213,676	1,816,462	314,248	42,592	0	410,230	126,197	888,051	661,719	12,700	782,517
Net Absorption	928,164	(1,024,775)	61,722	6,059	1,045,522	1,828,805	798,813	(462,249)	(659,981)	(67,576)	(431,745)	188,164
Vacancy Rate	3.3%	11.9%	14.8%	15.4%	13.1%	9.4%	8.6%	9.5%	12.3%	13.6%	14.3%	11.6%
Vacant Stock	1,490,339	5,728,790	7,400,530	7,708,719	6,554,258	4,725,453	4,326,354	4,785,843	6,317,141	7,046,436	7,445,831	5,775,427
Normalized Vacancy	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Normalized Vacant Stock	4,938,044	5,291,548	5,482,229	5,516,796	5,504,813	5,504,813	5,548,781	5,548,478	5,644,323	5,717,112	5,713,553	5,491,863
Excess Vacant Space	(3,447,705)	437,242	1,918,301	2,191,923	1,049,445	(779,360)	(1,222,427)	(762,635)	672,818	1,329,324	1,732,278	283,564
Asking Rents	\$30.59	\$31.24	\$27.42	\$24.99	\$24.05	\$26.70	\$27.42	\$30.00	\$30.41	\$28.59	\$28.90	\$28.21
Annual % Change		2.1%	-12.2%	-8.9%	-3.8%	11.0%	2.7%	9.4%	1.4%	-6.0%	1.1%	-0.6%
Expanded Fairfax County												
RBA	94,717,308	99,940,833	104,954,418	105,433,173	106,137,075	106,700,870	109,083,470	111,694,126	115,326,427	116,677,875	117,143,842	107,982,674
Annual % Change		5.5%	5.0%	0.5%	0.7%	0.5%	2.2%	2.4%	3.3%	1.2%	0.4%	2.2%
Deliveries	5,836,621	5,223,525	5,096,585	478,755	855,433	563,795	2,376,516	2,991,137	3,649,035	1,351,448	537,700	2,694,005
Net Absorption	4,746,251	(3,649,227)	506,064	1,363,443	4,322,878	3,999,904	2,523,414	475,794	(238,221)	97,580	178,835	1,332,718
Vacancy Rate	5.4%	14.0%	17.6%	16.7%	13.1%	9.8%	9.5%	11.2%	14.2%	15.1%	15.3%	13.0%
Vacant Stock	5,074,235	13,951,280	18,456,176	17,571,488	13,921,520	10,485,411	10,327,997	12,462,859	16,333,381	17,587,249	17,874,381	14,004,180
Asking Rents	\$28.71	\$29.05	\$25.58	\$23.54	\$23.26	\$25.52	\$27.52	\$29.71	\$29.75	\$27.89	\$27.55	\$27.10
Annual % Change		1.2%	-11.9%	-8.0%	-1.2%	9.7%	7.8%	8.0%	0.1%	-6.3%	-1.2%	-0.4%
Washington, DC-VA-MD-WV Metro												
RBA	378,683,588	393,379,852	404,408,727	408,937,194	415,597,015	422,435,973	433,586,634	443,939,159	452,947,916	460,359,580	464,582,049	425,350,699
Annual % Change		3.9%	2.8%	1.1%	1.6%	1.6%	2.6%	2.4%	2.0%	1.6%	0.9%	2.1%
Deliveries	11,768,682	14,843,614	12,252,270	5,597,715	7,228,441	7,244,712	11,880,924	11,195,688	9,819,791	7,883,192	4,602,559	9,703,962
Net Absorption	10,341,976	(2,818,079)	2,145,857	6,877,705	10,211,121	13,290,702	8,935,424	3,732,446	1,122,566	(657,472)	3,976,139	5,317,059
Vacancy Rate	5.9%	10.1%	12.0%	11.3%	10.3%	8.6%	8.9%	10.1%	11.7%	13.2%	13.2%	10.6%
Vacant Stock	22,183,118	39,701,754	48,582,284	46,237,729	42,655,437	36,213,545	38,420,732	45,040,811	52,928,846	60,993,590	61,239,920	44,927,070
Asking Rents	\$29.26	\$30.29	\$29.11	\$28.56	\$28.92	\$30.10	\$31.29	\$33.24	\$34.09	\$33.05	\$33.53	\$31.04
Annual % Change		3.5%	-3.9%	-1.9%	1.3%	4.1%	3.9%	6.2%	2.6%	-3.1%	1.5%	1.4%
United States												
Vacancy Rate	--	--	--	13.1%	12.5%	11.3%	10.7%	10.8%	11.5%	13.0%	13.6%	12.1%
Asking Rents	--	--	--	\$21.80	\$21.79	\$22.21	\$23.40	\$24.89	\$25.27	\$24.08	\$23.12	\$23.32
Annual % Change	--	--	--	--	0.0%	1.9%	5.3%	6.4%	1.5%	-4.7%	-4.0%	0.9%

Source: CoStar

EXHIBIT IV-4

SELECTED COMPETITIVE OFFICE SPACE
OFFICE MARKET AREA AND ANALOGUE NORTHERN VIRGINIA LOCATIONS
12 MONTHS THROUGH NOVEMBER 2010

Map	Name	Address	City	Submarket	Stories	Class	Year Built	RBA (sf)	Tenant	Lease			
										Date Signed	Floor	SF Leased	Rent (\$/sf/yr)
Merrifield													
8	2941 Fairview Park	2941 Fairview Park Dr	Falls Church	Merrifield	15	A	2001	335,704	DEI Consulting	May-10	6	1,200	39.50
16	MetroPlace/Dunn Loring	2600 Park Tower Dr	Merrifield	Merrifield	10	A	1999	237,227	N/A	May-10	1	17,648	35.00
17	3190 Fairview Park	3190 Fairview Park Dr	Falls Church	Merrifield	10	A	1990	231,928	N/A	Jul-10	2	7,552	34.00
22	Williams Plaza 1	3040 Williams Dr	Fairfax	Merrifield	6	B	1987	126,000	N/A	Jul-10	1	10,495	30.00
23	Willow Oaks 1	8260 Willow Oaks Corp. Dr.	Fairfax	Merrifield	8	B	1987	182,469	N/A	May-10	3	6,793	29.80
					<i>Merrifield Average:</i>			<u>1993</u>	<u>222,666</u>			<u>8,738</u>	<u>33.66</u>
Tysons Corner													
4	Greensboro Corp. Ctr. 1	8401 Greensboro Dr	McLean	Tysons Corner	10	A	2001	209,151	Primatics Fin.	Jan-10	3	4,000	41.00
20	8280 Greensboro Dr	8280 Greensboro Dr	McLean	Tysons Corner	9	A	1985	209,000	Monster Gov't...	Jul-10	9	22,080	32.70
25	East Building	7600 Leesburg Pike	Falls Church	Tysons Corner	4	B	1987	106,000	SCSC	Dec-09	3	2,746	29.00
					<i>Tysons Corner Average:</i>			<u>1991</u>	<u>174,717</u>			<u>9,609</u>	<u>34.23</u>
Reston													
2	SOMA at RTC - A	1875 Explorer St	Reston	Reston	10	A	2008	260,000	Lane McVicker	Dec-09	5	1,307	46.00
7	SOMA at RTC - B	11950 Democracy Dr	Reston	Reston	6	A	2008	125,100	Fujitsu America	Aug-10	2	9,516	40.00
12	One Freedom Sq. - RTC	11951 Freedom Dr	Reston	Reston	18	A	2000	420,537	RW Baird	Jul-10	10	10,000	37.35
19	RTC - SW Block	1820 Discovery Dr	Reston	Reston	3	A	1990	44,504	Learning Tree	Dec-09	2,3	44,488	33.00
24	The Campus at Sunrise	11130 Sunrise Valley Dr	Reston	Reston	3	B	1987	67,288	BRS Labs	Aug-10	2	1,194	29.75
					<i>Reston Average:</i>			<u>1999</u>	<u>183,486</u>			<u>13,301</u>	<u>37.22</u>
Other Submarkets													
26	Annandale Financial Ctr.	7010 Little River Tpke	Annandale	Annandale	4	B	1988	64,000	N/A	Jul-10	1	2,402	23.50
5	The Regent	950 N Glebe Rd	Arlington	Ballston	12	A	2007	247,436	HPTI	Jul-10	5	5,614	40.00
10	Arlington Plaza	2000 N 15th St	Arlington	Clarendon/Courthouse	11	A	1985	193,657	MSI	Mar-10	5	5,592	38.50
3	Crystal Park Four	2345 Crystal Dr	Arlington	Crystal City	12	A	1988	502,900	Smart Global	May-10	5	18,487	41.90
15	Potomac Gateway North	2800 Crystal Dr	Arlington	Crystal City	10	A	1990	177,473	Surescripts	Oct-10	8	8,448	35.00
18	Crystal Park Two	2121 Crystal Dr	Arlington	Crystal City	12	A	1985	570,000	US Gov't	Mar-10	5,6,8	66,312	33.00
6	Carlyle Overlook	2318 Mill Rd	Alexandria	Eisenhower Ave Corr.	14	A	2008	250,000	CPA Global	Jun-10	12	24,647	40.00
21	Centerpointe One	4050 Legato Rd	Fairfax	Fairfax Center	11	A	1987	214,652	ASM Research	Jun-10	2,8-11	90,774	31.00
1	Time Life Building	2000 Duke St	Alexandria	Old Town Alexandria	5	A	1997	156,123	Motley Fool	Jul-10	5	30,925	46.00
9	330 John Carlyle St	330 John Carlyle St	Alexandria	Old Town Alexandria	6	A	2001	79,000	Gov't Rtrmnt...	Mar-10	6	5,131	39.00
11	Station Center	1700 Diagonal Rd	Alexandria	Old Town Alexandria	7	A	1988	70,309	Clark & Brody	Jan-10	5	3,016	38.26
13	Carlyle Center	1925 Ballenger Ave	Alexandria	Old Town Alexandria	5	A	2006	176,101	US Gov't	Jun-10	5	22,138	36.50
14	Ames Center Building	1820 N Fort Myer Dr	Arlington	Rosslyn	13	A	1983	161,787	Serco Inc.	Jun-10	5	14,116	36.10
					<i>Other Submarkets Average:</i>			<u>1993</u>	<u>220,264</u>			<u>22,892</u>	<u>36.83</u>
					All Submarkets Average:	9		1994	200,283			13,635	35.49

EXHIBIT IV-4

SELECTED COMPETITIVE OFFICE SPACE
OFFICE MARKET AREA AND ANALOGUE NORTHERN VIRGINIA LOCATIONS
12 MONTHS THROUGH NOVEMBER 2010

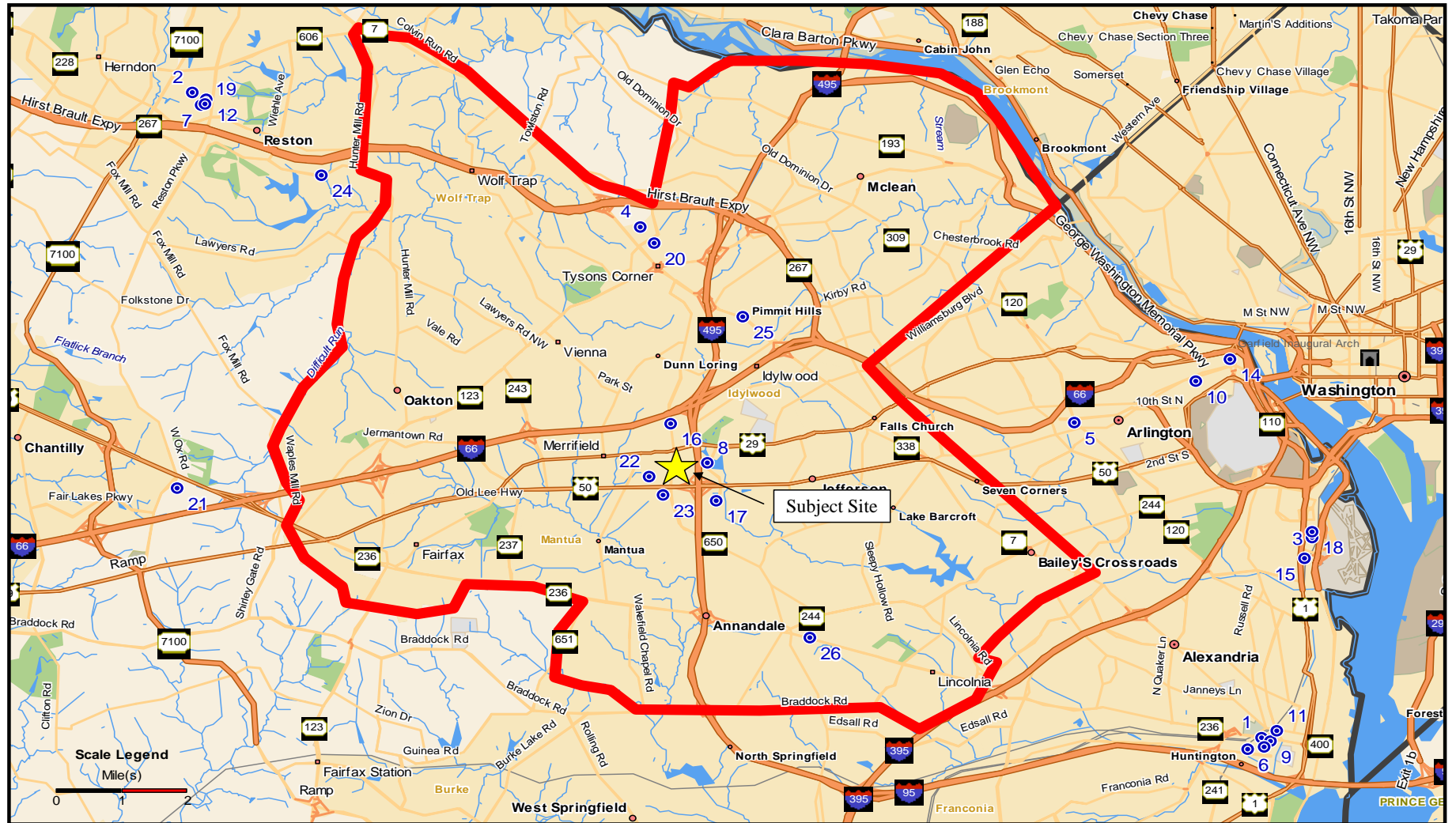


EXHIBIT IV-5

OFFICE DEMAND
EXPANDED FAIRFAX COUNTY AND OFFICE MARKET AREA
2011 THROUGH 2016

Industry	Job Growth / Loss (000s) (1)						% Office Using (2)	SF Per Job (3)	Potential Office Demand (000s SF)						
	2011	2012	2013	2014	2015	2016			2011	2012	2013	2014	2015	2016	
Natural Resources & Mining	0.0	0.0	0.0	0.0	0.0	0.0	5%	275	-0.4	0.0	-0.1	0.0	0.0	0.0	
Construction	0.7	2.1	2.5	1.0	0.2	0.0	15%	280	31.5	88.7	106.3	40.5	10.5	-0.7	
Manufacturing	0.0	0.2	0.2	0.1	0.0	0.0	15%	250	0.9	6.2	7.0	4.8	1.8	-0.1	
Wholesale Trade	0.2	0.3	0.4	0.3	0.2	0.1	10%	250	4.2	8.5	10.7	7.1	4.3	2.0	
Retail Trade	0.5	0.8	1.0	0.5	0.2	-0.1	10%	280	14.0	22.0	28.6	14.6	4.9	-3.5	
Trans., Warehousing, & Util.	0.0	0.0	0.0	0.0	-0.1	-0.1	10%	280	0.6	-0.5	1.0	-0.5	-2.4	-3.4	
Information	-1.1	-0.8	-0.6	-0.2	-0.4	-0.5	90%	320	-315.0	-237.5	-177.6	-56.4	-105.9	-155.3	
Financial Activities	-0.2	0.3	0.4	0.3	0.1	0.0	75%	320	-49.6	64.5	96.5	72.8	29.9	-5.1	
Professional & Business Services	2.9	8.6	10.1	6.6	4.6	3.6	90%	320	831.3	2483.1	2916.6	1898.6	1334.1	1044.4	
Education & Health Services	0.1	1.1	1.4	1.5	1.1	0.8	35%	320	8.3	123.2	158.5	172.1	123.7	86.9	
Leisure & Hospitality	1.1	1.8	1.8	1.5	1.1	0.9	20%	320	70.8	115.1	113.5	97.0	70.0	55.4	
Other Services	0.1	0.3	0.5	0.3	0.1	0.0	75%	320	32.9	70.6	122.9	76.9	28.0	5.2	
Government	-2.1	0.8	0.9	1.1	0.5	0.1	40%	320	-271.0	101.2	120.4	145.9	61.3	8.3	
Annual Change	2.2	15.4	18.7	13.1	7.7	4.6	Expanded Fairfax Co. (4)		358.6	2,845.0	3,504.2	2,473.4	1,560.3	1,034.2	
Total Non-Farm (000s)	600.6	616.0	634.7	647.8	655.6	660.2	Market Area Capture (5)		35%	35%	35%	35%	35%	35%	
<i>Annual % Change</i>	<i>0.4%</i>	<i>2.6%</i>	<i>3.0%</i>	<i>2.1%</i>	<i>1.2%</i>	<i>0.7%</i>									
									Mkt. Area Demand - Annual	125.5	995.8	1226.5	865.7	546.1	362.0
									Mkt. Area Demand - Cumulative	125.5	1121.3	2347.8	3213.5	3759.6	4121.5
									Trailing 5-Year Annual Average	--	--	--	--	751.9	799.2

(1) Source: Moody's

(2) TCG Estimates

(3) Per ULI & CoStar

(4) Including Fairfax City and Falls Church

(5) Based on market area share of Expanded Fairfax County office inventory

EXHIBIT IV-6

**FUTURE OFFICE DEVELOPMENT
OFFICE MARKET AREA
2010**

<u>City</u>	<u>Project Name</u>	<u>Builder/Developer</u>	<u>Location</u>	<u>Sq. Ft.</u>	<u>Status</u>
McLean	Spring Hill Station - Ph. I	Georgelas Group	Spring Hill Rd. & Lewinsville Rd.	600,000	Approved
McLean	Tysons II - Parcel H	Lerner	Tysons Blvd. & Galleria Dr.	472,000	Approved
Fairfax	MetroWest	Pulte	Lee Highway and Fairlee Dr	300,000	Approved
Alexandria	N/A	Kingstowne	King Center Drive	113,500	Approved
Falls Church	City Center South	Atlantic Realty Companies	S. Washington St. & W. Broad St.	90,000	Approved
McLean	N/A	Bo Hwan Suk	5873, 5885 and 5901 Old Centreville Rd	29,103	Approved
Herndon	un-named	WRIT Dulles Station	2300 Dulles Sation Boulevard	360,996	Proposed
McLean	Hanover Building	West Mac Associates	8101 Jones Branch Dr	241,000	Proposed
Falls Church	The Gateway	Akridge	500-520 North Washington	75,000	Proposed
Falls Church	The Palatium	Pirouz Khanmalek	Lee and Park Ave	48,246	Proposed
Falls Church	Northgate	Hekemian	472 North Washington	14,015	Proposed
				<hr/>	
				Under Const.	0
				Approved	1,604,603
				Proposed	739,257
				<hr/> Total	2,343,860

EXHIBIT IV-6
FUTURE OFFICE DEVELOPMENT
OFFICE MARKET AREA
2010

I. Overview by Status

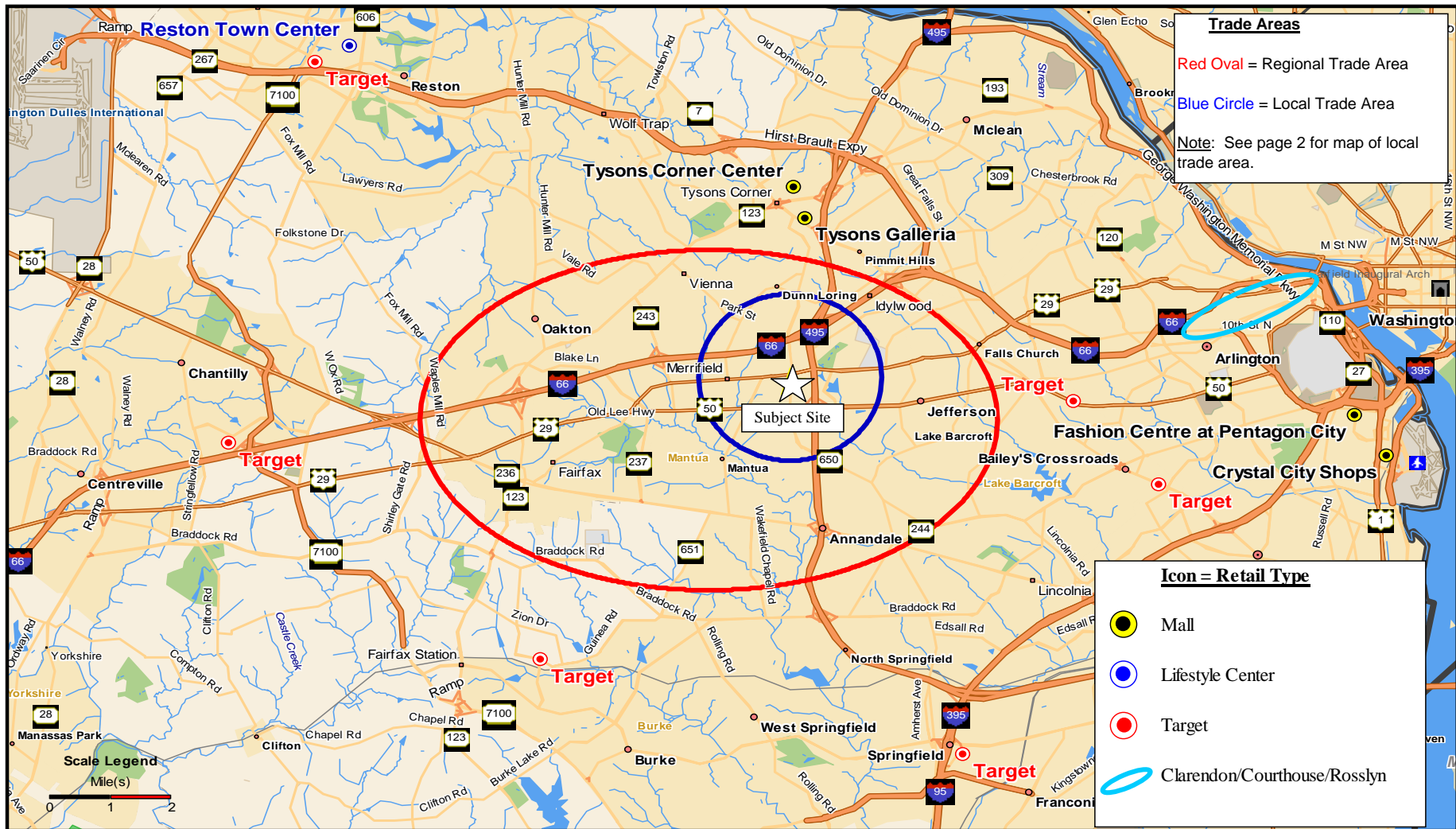
Under Construction	0
Subject Site	65,000
Approved	1,604,603
Proposed	739,257
Total	2,408,860

II. Overview by Status

	Completion Likelihood	Total	2011		2012		2013		2014		2015	
			Timing	Future Sq. Ft.	Timing	Future Sq. Ft.	Timing	Future Sq. Ft.	Timing	Future Sq. Ft.	Timing	Future Sq. Ft.
Under Construction	100%	0	60%	0	40%	0	0%	0	0%	0	0%	0
Subject Site	100%	65,000	0%	0	0%	0	100%	65,000	0%	0	0%	0
Approved	75%	1,203,452	0%	0	0%	0	25%	300,863	25%	300,863	25%	300,863
Proposed	50%	369,629	0%	0	0%	0	25%	92,407	25%	92,407	25%	92,407
Total		1,638,081		0		0		458,270		393,270		393,270

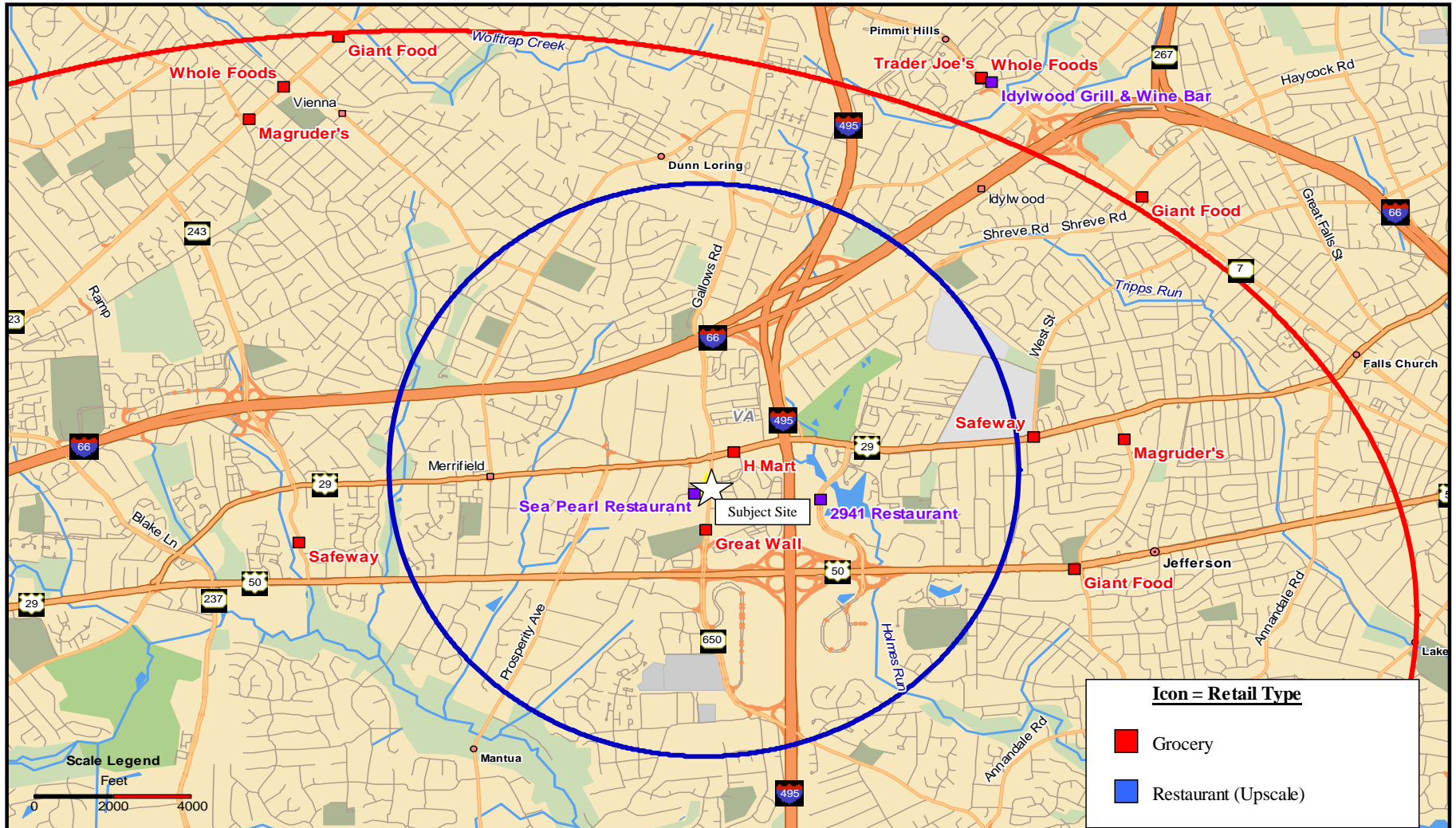
V. RETAIL MARKET

EXHIBIT V-1
RETAIL MARKET AREA
FAIRFAX COUNTY 1/, VIRGINIA
2010



1/ Including Fairfax City and Falls Church

EXHIBIT V-1
RETAIL MARKET AREA
FAIRFAX COUNTY 1, VIRGINIA
2010



1/ Including Fairfax City and Falls Church

EXHIBIT V-2

**RETAIL SUBMARKET PERFORMANCE
WASHINGTON, DC METRO AREA AND FAIRFAX COUNTY, VIRGINIA
2010**

	<u>Local Trade Area</u>	<u>Regional Trade Area</u>	<u>Expanded Fairfax County</u>	<u>Washington, DC-VA-MD-WV Metro</u>
Demographics				
Total Population	30,746	196,527	1,085,598	5,438,913
Total Households	11,717	71,151	397,793	2,044,883
5-Year Projected CAGR	0.7%	0.3%	0.4%	0.9%
Average Household Size	2.6	2.7	2.7	2.6
Median Household Income	\$88,611	\$99,634	\$105,236	\$85,983
5-Year Projected CAGR	1.7%	2.0%	2.0%	2.1%
3Q2010 Retail Market Factors				
Rentable Building Area (SF)	981,185	7,083,807	45,832,115	250,464,292
LTM % Change	0.0%	0.0%	0.8%	1.1%
LTM Deliveries (SF)	0	0	365,217	2,819,345
LTM Net Absorption (SF)	(17,473)	(34,868)	224,822	1,967,118
Vacancy Rate	4.1%	4.7%	4.6%	5.6%
Vacant Stock (SF)	40,572	332,838	2,095,458	13,944,911
Asking Rent	\$21.21	\$27.45	\$27.88	\$23.28
LTM % Change	-27.5%	-2.7%	0.5%	-3.0%

Sources: CoStar; Claritas

EXHIBIT V-3

**RETAIL MACRO TRENDS
WASHINGTON, DC METRO AREA AND FAIRFAX COUNTY, VIRGINIA
2010**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>1-3Q 2010</u>	<u>Average</u>
Local Trade Area												
RBA	931,929	931,929	931,929	946,319	946,319	946,319	946,319	1,008,979	1,008,979	981,185	981,185	1,056,139
Annual % Change	n/a	0.0%	0.0%	1.5%	0.0%	0.0%	0.0%	6.6%	0.0%	-2.8%	0.0%	0.5%
Deliveries	0	0	0	14,390	0	0	0	62,660	0	0	0	7,903
Net Absorption	--	--	--	--	--	--	800	53,230	(1,259)	(37,646)	(17,531)	(507)
Vacancy Rate	--	--	--	--	--	--	0.3%	1.2%	1.3%	2.3%	4.1%	1.8%
Vacant Stock	--	--	--	--	--	--	2,500	11,930	13,189	23,041	40,572	18,246
Asking Rents	--	--	--	--	--	--	\$19.22	\$32.43	\$36.25	\$30.79	\$21.92	\$28.12
Annual % Change	--	--	--	--	--	--	--	68.7%	11.8%	-15.1%	-28.8%	2.8%
Regional Trade Area												
RBA	6,838,228	6,838,228	6,845,373	6,859,763	6,859,763	6,859,763	6,859,763	7,142,994	7,127,387	7,104,969	7,083,807	7,642,004
Annual % Change	n/a	0.0%	0.1%	0.2%	0.0%	0.0%	0.0%	4.1%	-0.2%	-0.3%	-0.3%	0.4%
Deliveries	8,531	0	7,145	14,390	0	0	0	283,231	29,676	5,376	0	35,728
Net Absorption	--	--	--	--	--	--	(10,737)	147,389	(57,841)	(36,173)	(39,721)	614
Vacancy Rate	--	--	--	--	--	--	1.8%	3.6%	4.2%	4.4%	4.7%	3.7%
Vacant Stock	--	--	--	--	--	--	122,448	258,290	300,524	314,279	332,838	265,676
Asking Rents	--	--	--	--	--	--	\$30.41	\$33.01	\$30.27	\$28.05	\$26.28	\$29.60
Annual % Change	--	--	--	--	--	--	--	8.6%	-8.3%	-7.4%	-6.3%	-3.0%
Expanded Fairfax County												
RBA	40,239,398	40,664,091	40,967,956	42,067,373	42,606,913	44,157,343	44,815,319	45,296,645	45,290,517	45,530,793	45,716,927	47,735,328
Annual % Change		1.1%	0.7%	2.7%	1.3%	3.6%	1.5%	1.1%	0.0%	0.5%	0.4%	1.3%
Deliveries		424,693	303,865	1,099,417	539,540	1,550,430	309,383	485,022	39,155	221,635	225,078	533,151
Net Absorption		293,420	377,842	1,406,206	628,023	1,435,838	29,855	290,312	(269,883)	(401,685)	120,289	401,048
Vacancy Rate	2.7%	3.0%	2.8%	2.0%	1.7%	1.9%	2.1%	2.5%	3.1%	4.4%	4.6%	3.3%
Vacant Stock	1,073,396	1,204,669	1,130,692	823,904	735,421	850,013	927,617	1,118,631	1,382,386	2,024,347	2,090,192	1,336,127
Asking Rents	\$22.49	\$23.64	\$24.44	\$25.15	\$26.51	\$28.05	\$29.68	\$29.38	\$27.40	\$27.65	\$27.87	\$29.23
Annual % Change		5.1%	3.4%	2.9%	5.4%	5.8%	5.8%	-1.0%	-6.7%	0.9%	0.8%	2.2%
Washington, DC-VA-MD-WV Metro												
RBA	212,154,993	214,885,033	217,289,749	223,323,340	225,912,518	231,047,275	233,143,436	239,170,910	244,559,338	246,769,917	248,138,102	253,639,461
Annual % Change		1.3%	1.1%	2.8%	1.2%	2.3%	0.9%	2.6%	2.3%	0.9%	0.6%	1.6%
Deliveries		2,730,040	2,404,716	6,033,590	2,589,178	5,134,757	4,245,334	6,123,652	5,694,570	2,646,598	1,895,148	4,051,034
Net Absorption		2,009,833	2,838,447	6,657,413	3,073,779	5,375,718	3,291,959	4,739,548	3,178,205	(637,892)	1,104,253	3,244,232
Vacancy Rate	3.6%	3.9%	3.6%	3.3%	3.0%	2.8%	3.1%	3.5%	4.4%	5.5%	5.6%	4.4%
Vacant Stock	7,598,323	8,318,531	7,884,800	7,260,977	6,776,377	6,535,415	7,137,819	8,467,216	10,707,411	13,557,334	13,815,397	9,805,960
Asking Rents	\$18.84	\$19.67	\$20.16	\$20.70	\$21.52	\$22.82	\$23.97	\$26.16	\$24.73	\$23.89	\$23.33	\$24.58
Annual % Change		4.4%	2.5%	2.7%	4.0%	6.0%	5.0%	9.2%	-5.5%	-3.4%	-2.3%	2.2%
United States												
Vacancy Rate	--	--	--	-- #	--	--	6.1%	6.0%	6.3%	7.4%	7.5%	6.7%
Asking Rents	--	--	--	--	--	--	\$16.45	\$17.08	\$17.45	\$16.91	\$16.00	\$16.78
Annual % Change	--	--	--	--	--	--	--	3.9%	2.1%	-3.1%	-5.4%	-0.6%

Sources: CoStar; REIS

EXHIBIT V-4

SELECTED COMPETITIVE RETAIL SPACE
REGIONAL TRADE AREA AND ANALOGUE LOCATIONS
2010

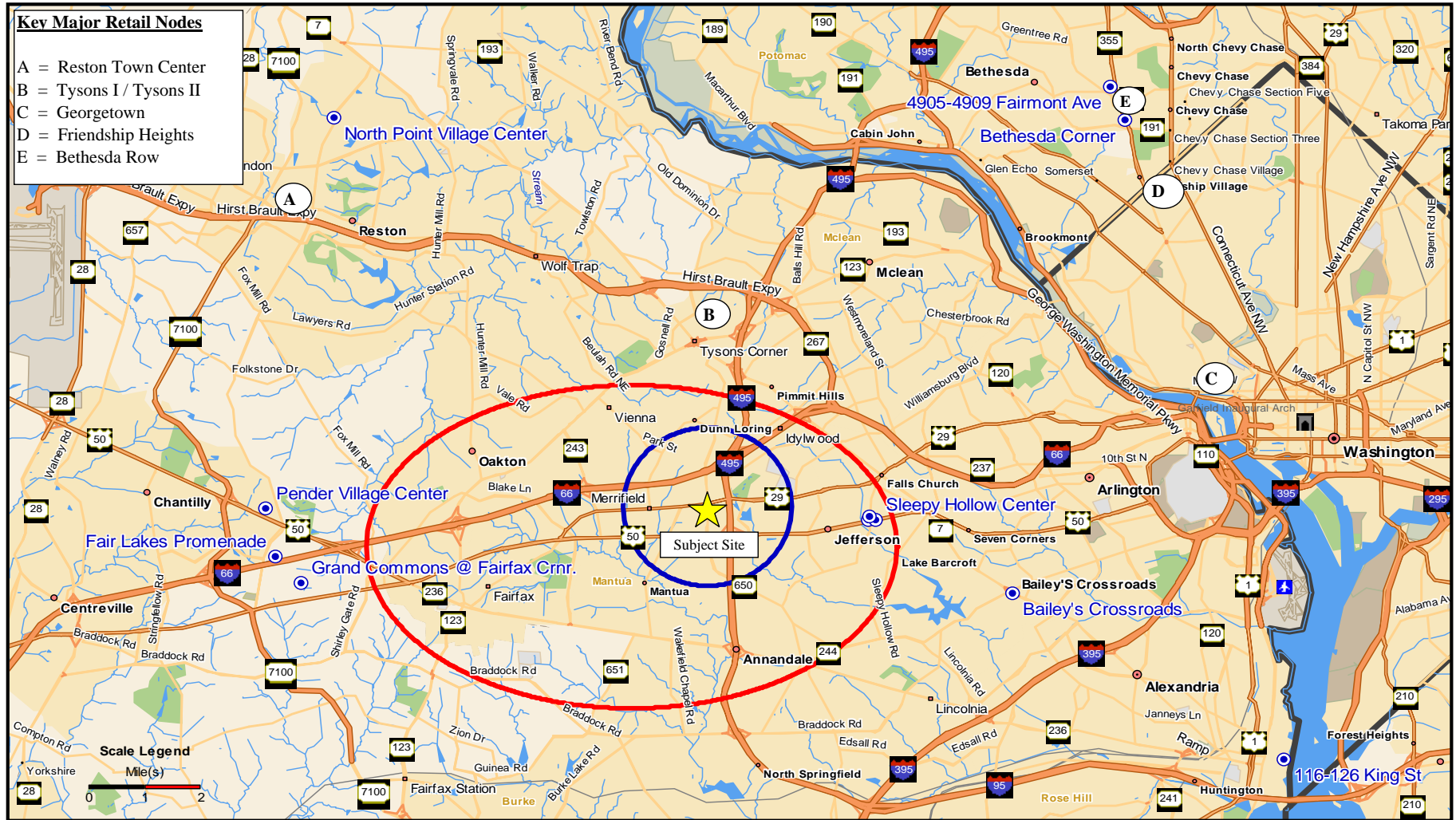


EXHIBIT V-4

**SELECTED COMPETITIVE RETAIL SPACE
REGIONAL TRADE AREA AND ANALOGUE LOCATIONS
2010**

I. Lease Transactions

<u>Name</u>	<u>Address</u>	<u>City</u>	<u>Type</u>	<u>Class</u>	<u>Year Built / Renov.</u>	<u>RBA (sf)</u>	<u>Tenant</u>	<u>Lease</u>		
								<u>Date Signed</u>	<u>SF Leased</u>	<u>Rent / Year</u>
Grand Commons @ Fairfax Cmr.	11940-11950 Grand Commons Ave	Fairfax	Lifestyle	A	2003	285,000	Pinkberry	Jan-10	1,146	\$50.00 *
N/A	116-126 King St	Alexandria	Mixed	A	2001	21,562	Pizzeria	Dec-09	3,378	49.00
Pender Village Center	3903 Fair Ridge Dr	Fairfax	Mixed	A	2009	140,139	Wylie Wagg	Feb-10	2,059	42.50 *
North Point Village Center	1400-1498 Northpoint Village Ctr	Reston	Neighborhood	B/C	1993	134,000	N/A	Jul-10	2,500	42.00
Fair Lakes Promenade	12179-12239 Fair Lakes Promenade Dr	Fairfax	Neighborhood	B/C	1995	114,217	Sleepy's	Nov-10	5,417	40.00 *
Bethesda Corner	7008-7034 Wisconsin Ave	Chevy Chase	Main Street	B/C	1980	40,572	Fedex Kinko	Jun-10	6,200	39.00
Bailey's Crossroads	5799-5857 Leesburg Pike	Baileys Crsrds	Community	B/C	2002	166,549	Beauty Salon	Jun-10	1,600	38.00
N/A	6670-6678 Arlington Blvd	Falls Church	Strip	B/C	n/a	35,000	Beauty Salon	Feb-10	1,400	35.04
N/A	4905-4909 Fairmont Ave	Bethesda	Main Street	B/C	2009	3,800	Fresh Grill	Jun-10	1,900	34.00
Sleepy Hollow Center	6641-6653 Arlington Blvd	Falls Church	Strip	B/C	n/a	11,657	Optometrist	Apr-10	1,200	30.19
Jefferson Village Shopping Ctr.	2936 Annandale Rd	Falls Church	Strip	B/C	2008	9,200	Goodwill	May-10	9,200	20.73
					Average:	2000	87,427		3,273	\$38.22

II. Indicative Class A Rents

Bethesda Row	\$50.00 to \$80.00
Other Tysons Corner	50.00 to 80.00
Tysons I / Tysons II	50.00 to 125.00
Georgetown	75.00 to 100.00
Friendship Heights	45.00 to 75.00
Reston Town Center	35.00 to 55.00

*Estimate

EXHIBIT V-5

RETAIL GAP ANALYSIS
REGIONAL RETAIL TRADE AREA AND LOCAL RETAIL TRADE AREA
2010

- **Destination Retail:** Significant gaps (i.e., opportunity) in "Department Stores" (marked "a") such as Target, "Clothing" (marked "b") and "Cosmetics" (marked "c").
- **Local Retail:** Significant gaps (i.e., opportunity) in "Pharmacies" (marked "d"), "Food and Beverage Stores" (marked "e"), and "Limited Service Eating" (marked "f").

Store Type - NAICS Code	Demand (Expenditures)	Supply (Retail Sales)	Gap/ (Surplus)	\$/S.F.	Square Feet Gap/(Surplus)
DESTINATION RETAIL - Regional Retail Trade Area					
Target Retail Store Types					
(a) Department Stores Excl Leased Depts-4521	\$247,812,063	69,616,996	178,195,067	440	404,989
(b) Clothing and Clothing Accessories Stores-448	\$193,796,080	143,649,992	50,146,088	300	167,154
(c) Cosmetics, Beauty Supplies, Perfume Stores-44612	\$7,284,526	4,447,209	2,837,317	360	7,881
Office Supplies, Stationery, Gift Stores-4532	\$40,193,808	39,212,567	981,241	475	2,066
Optical Goods Stores-44613	\$7,841,421	8,603,787	(762,366)	500	(1,525)
Furniture and Home Furnishings Stores-442	\$91,180,581	\$107,322,631	(\$16,142,050)	\$325	(49,668)
Electronics and Appliance Stores-443	\$93,802,887	169,011,381	(75,208,494)	460	(163,497)
Sporting Goods, Hobby, Book, Music Stores-451	\$82,261,196	139,772,761	(57,511,565)	310	(185,521)
Full-Service Restaurants-7221	\$174,012,628	259,031,877	(85,019,249)	265	(320,827)
Non-Target Store Types					
Motor Vehicle and Parts Dealers-441	\$607,172,953	1,245,357,851	(638,184,898)	\$1,300	(490,911)
Building Material, Garden Equip Stores -444	\$383,605,378	375,197,273	8,408,105	445	18,895
Other General Merchandise Stores-4529	\$233,333,356	83,473,502	149,859,854	350	428,171
Total Destination Retail Store Types	\$2,162,296,877	\$2,644,697,827	-\$482,400,950		(182,794)
Total Target Destination Retail Store Types: (1)	\$938,185,190	\$940,669,201	-\$2,484,011		(138,948)
LOCAL-SERVING RETAIL - Local Retail Trade Area					
(d) Pharmacies and Drug Stores-44611	\$26,187,637	\$13,145,739	13,041,898	725	17,989
(e) Food and Beverage Stores-445	\$63,947,994	\$55,264,106	\$8,683,888	\$575	15,102
(f) Limited-Service Eating Places-7222	\$25,103,211	\$17,450,381	7,652,830	580	13,195
Florists-4531	\$1,074,578	\$1,587,955	(513,377)	130	(3,949)
Special Foodservices-7223	\$4,913,031	\$9,059,757	(4,146,726)	550	(7,540)
Other Health and Personal Care Stores-44619	\$1,911,987	\$7,341,910	(5,429,923)	425	(12,776)
Non-Target Store Types					
Gasoline Stations With Conv Stores-44711	\$29,796,318	\$9,832,418	19,963,900	240	83,183
Other Gasoline Stations-44719	\$10,630,363	\$12,911,919	(2,281,556)	241	(9,467)
Total Local-Serving Retail Store Types	\$163,565,119	\$126,594,185	\$36,970,934		95,737
Total Target Local Serving Retail Store Types: (1)	\$123,138,438	\$103,849,848	\$19,288,590		22,021

(1) Excludes "Non-Target Store Types"

Source: Claritas Retail Report and Dollars & Cents of Shopping Centers/ The SCORE 2006

EXHIBIT V-6

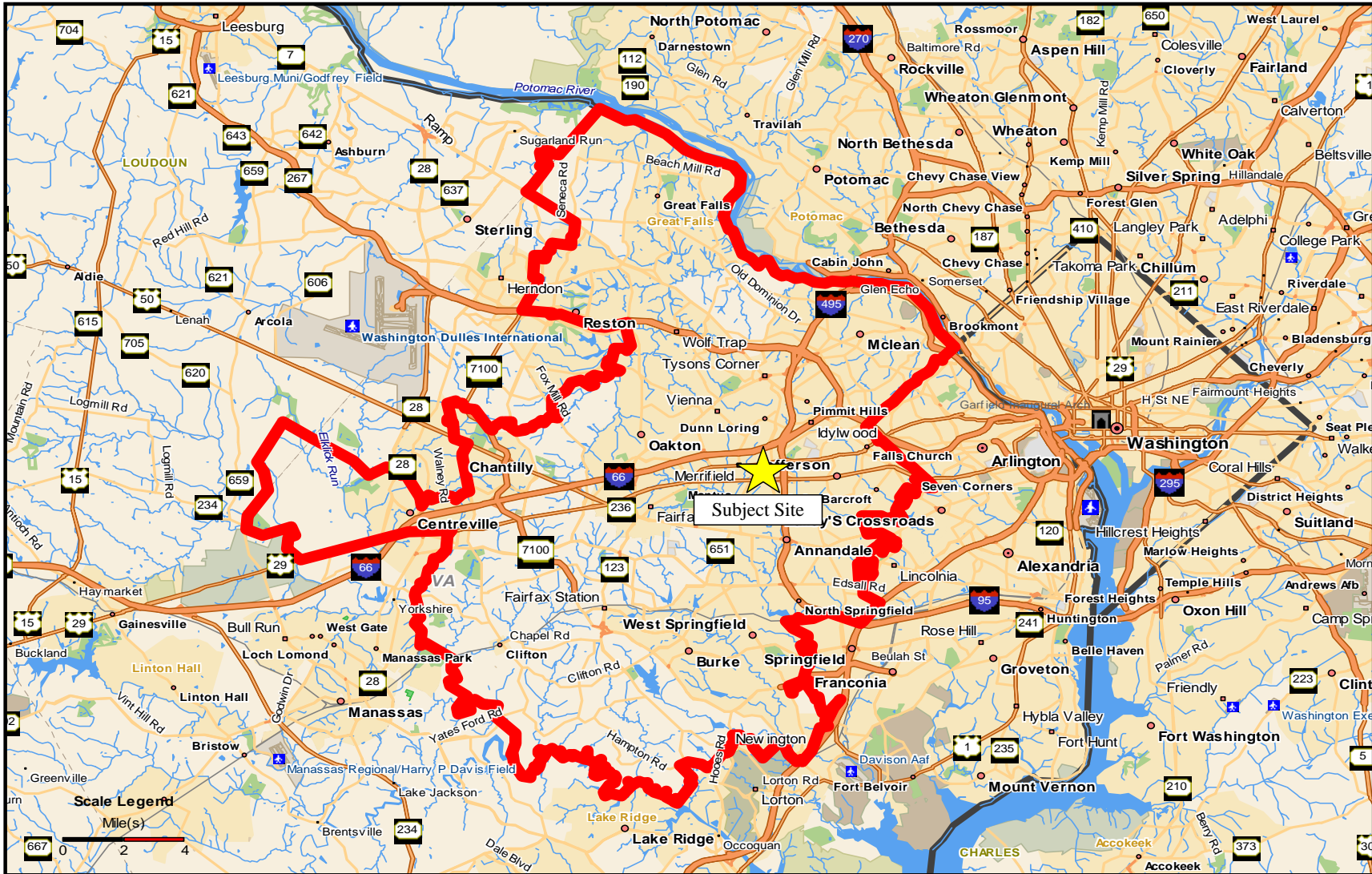
**FUTURE RETAIL DEVELOPMENT
REGIONAL TRADE AREA
2010**

<u>City</u>	<u>Project Name</u>	<u>Builder/Developer</u>	<u>Location</u>	<u>Sq. Ft.</u>	<u>Status</u>
Merrifield	Halstead - Phase B	DSF Long Metro	Merrilee Dr. & Gallows Rd.	16,000	Under Const.
Falls Church	City Center South	Atlantic Realty Companies	S. Washington St. & W. Broad St.	125,000	Approved
Fairfax	MetroWest	Pulte	Lee Highway and Fairlee Dr	125,000	Approved
Annandale	N/A	Velmeir, McLean	8700 Little River Tpk	12,900	Proposed
				<hr/>	
			Under Const.	16,000	
			Approved	250,000	
			Proposed	12,900	
			Total	<hr/> 278,900	

VI. HOTEL MARKET

EXHIBIT VI-1

HOTEL MARKET AREA
FAIRFAX COUNTY, VIRGINIA
2010



Hotel market area comprised of the following zip codes: Annandale 22003; Burke 22015; Centreville 20120; Clifton 20124; Dunn Loring 22027; Fairfax 22030, 22031, 22032, 22033; Fairfax Station 22039; Falls Church 22042, 22043, 22044, 22046; Great Falls 22066; Greenway 22067; McLean 22101, 22102; Oakton 22124; Reston 20190, 20194; Springfield 22151, 22152, 22153; and Vienna 22180, 22181, 22182.

EXHIBIT VI-2

**HOTEL SUBMARKET PERFORMANCE
WASHINGTON, DC METRO AREA AND HOTEL MARKET AREA
2010**

	<u>Fairfax/Tysons Corner</u>	<u>Washington, DC-VA-MD-WV Metro</u>
Demographics		
Total Population	640,648	5,438,913
Total Households	234,323	2,044,883
<i>5-Year Projected CAGR (1)</i>	<i>0.3%</i>	<i>0.9%</i>
Average Household Size	2.7	2.6
Median Household Income	115,030	85,983
<i>5-Year Projected CAGR (1)</i>	<i>1.8%</i>	<i>2.1%</i>
2010 Hotel Market Factors		
Rooms	8,241	102,737
<i>Annual % Change</i>	<i>1.8%</i>	<i>2.4%</i>
Occupancy	68%	67%
<i>Annual % Change</i>	<i>6.0%</i>	<i>4.0%</i>
Average Daily Rate	\$122	\$142
<i>Annual % Change</i>	<i>-4.4%</i>	<i>-2.2%</i>
Revenue Per Available Room	\$83	\$95
<i>Annual % Change</i>	<i>1.3%</i>	<i>1.7%</i>

Source: Smith Travel Research, Claritas, TCG

EXHIBIT VI-3

**HOTEL MACRO TRENDS
WASHINGTON, DC METRO AREA AND HOTEL MARKET AREA
2001 THROUGH 2010**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Average</u>	
											<u>5-YR</u>	<u>10-YR</u>
Fairfax/Tysons Corner												
Total Rooms	7,449	7,687	7,705	7,679	7,479	8,013	8,058	8,058	8,093	8,241	8,093	7,846
Annual Change - Rooms	685	238	18	-26	-199	534	45	0	35	148	152	148
Annual % Change	10.1%	3.2%	0.2%	-0.3%	-2.6%	7.1%	0.6%	0.0%	0.4%	1.8%	2.0%	2.0%
Average Daily Rate	\$115	\$102	\$103	\$112	\$127	\$139	\$143	\$141	\$128	\$122	\$135	\$123
Annual % Change	-3.1%	-10.8%	1.0%	8.1%	13.8%	9.5%	2.7%	-1.4%	-9.2%	-4.4%	-0.8%	0.3%
Occupancy	64%	66%	69%	75%	75%	68%	68%	67%	64%	68%	67%	69%
Annual % Change	-14.9%	3.0%	4.0%	9.3%	0.2%	-9.2%	-0.1%	-1.7%	-4.9%	6.0%	-2.1%	-1.1%
Revenue Per Available Room	\$74	\$68	\$71	\$84	\$96	\$95	\$98	\$95	\$82	\$83	\$90	\$84
Annual % Change	-17.6%	-8.1%	5.1%	18.1%	14.1%	-0.6%	2.7%	-3.1%	-13.7%	1.3%	-2.9%	-0.8%
Washington, DC-VA-MD-WV Metro												
Total Rooms	85,300	86,467	87,427	88,735	90,143	91,649	92,797	96,335	100,333	102,737	96,770	92,192
Annual Change - Rooms	2,662	1,167	960	1,308	1,408	1,506	1,147	3,538	3,998	2,405	2,519	2,010
Annual % Change	3.2%	1.4%	1.1%	1.5%	1.6%	1.7%	1.3%	3.8%	4.1%	2.4%	2.7%	2.2%
Average Daily Rate	\$113	\$111	\$111	\$119	\$131	\$142	\$150	\$153	\$145	\$142	\$146	\$132
Annual % Change	0.7%	-1.6%	-0.2%	6.9%	10.9%	7.7%	5.9%	2.3%	-5.4%	-2.2%	1.5%	2.4%
Occupancy	65%	65%	66%	71%	71%	68%	68%	67%	65%	67%	67%	67%
Annual % Change	-9.2%	0.0%	1.7%	6.3%	0.9%	-4.1%	0.0%	-2.0%	-3.3%	4.0%	-1.1%	-0.7%
Revenue Per Available Room	\$74	\$72	\$74	\$84	\$94	\$97	\$102	\$103	\$94	\$95	\$98	\$89
Annual % Change	-8.6%	-1.6%	1.5%	13.6%	11.9%	3.3%	5.9%	0.2%	-8.5%	1.7%	0.4%	1.7%

Source: Smith Travel Research, TCG

EXHIBIT VI-3

HOTEL MACRO TRENDS
WASHINGTON, DC METRO AREA AND HOTEL MARKET AREA
2001 THROUGH 2010

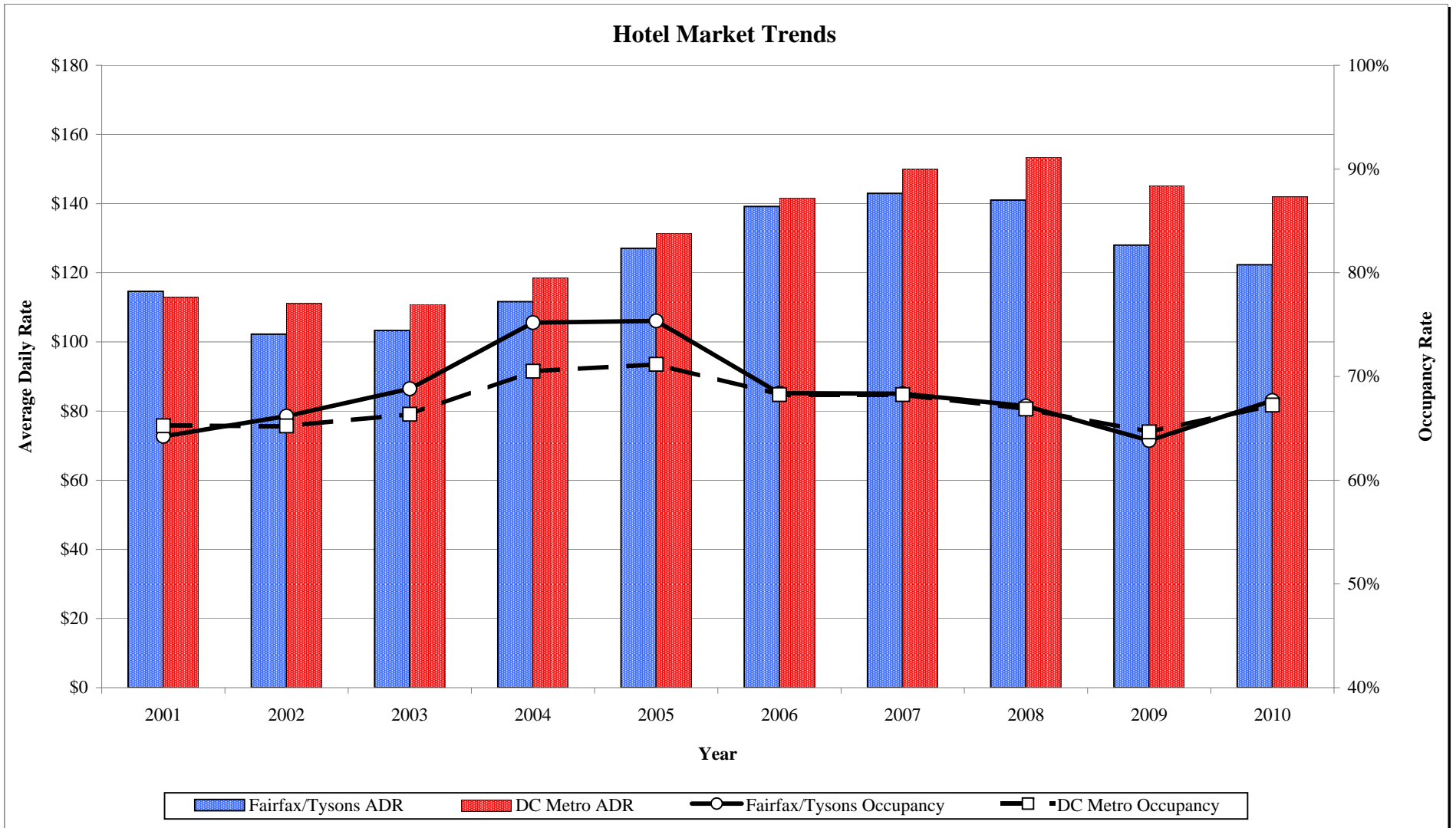


EXHIBIT VI-4

**SELECTED COMPETITIVE HOTELS
HOTEL MARKET AREA
NOVEMBER 2010**

Property Name	Address	City	Rooms	Stars ^{1/}	Avg. Room Rates			Occupancy			Implied RevPar	Conf. Space (sf)	
					Low	High	ADR ^{3/}	Peak	Off	Avg			
The Ritz-Carlton Tysons Corner	1700 Tysons Blvd	Mclean	398	4.5	\$169	\$364	\$253	90%	65%	75%	\$190	30,000	
The Westin Tyson's Corner	7801 Leesburg Pike	Falls Church	405	4.0	102	259	171	95%	70%	75%	128	12,000	
Hilton Mclean Tysons Corner	7920 Jones Branch Dr	Mclean	458	3.5	134	266	190	100%	70%	75%	142	27,000	
Marriott Tysons Corner	8028 Leesburg Pike	Vienna	392	3.5	89	292	181	95%	70%	75%	136	9,731	
Crowne Plaza Hotel Tysons Corner	1960 Chain Bridge Rd	Mclean	316	3.5	83	254	160	90%	65%	70%	112	4,500	
Sheraton Premiere At Tysons Corner	8661 Leesburg Pike	Vienna	443	3.5	96	208	144	100%	70%	80%	116	40,000	
Embassy Suites Hotel Tysons Corner	8517 Leesburg Pike	Vienna	238	3.5	90	179	128	95%	60%	70%	89	1,700	
Marriott Fairview Park	3111 Fairview Park Dr	Falls Church	388	3.5	77	289	174	90%	50%	65%	113	17,444	
Courtyard By Marriott Tyson's Corner	1960 A Chain Bridge Rd	Mclean	229	3.0	89	384	225	100%	70%	75%	169	4,000	
Hilton Garden Inn Tysons Corner	8301 Boone Blvd	Vienna	149	3.0	139	223	172	95%	70%	75%	129	1,300	
Residence Inn By Marriott Tysons Corner	8400 Old Courthouse Rd	Vienna	121	3.0	97	209	145	90%	60%	70%	102	270	
Homewood Suites Falls Church	8130 Porter Rd	Falls Church	107	3.0	126	224	166	90%	65%	70%	116	680	
Residence Inn By Marriott Tysons Corner	8616 Westwood Center Dr	Vienna	121	3.0	92	224	150	95%	65%	75%	112	270	
Residence Inn By Marriott Fairfax Merrifield	8125 Gatehouse Rd	Falls Church	159	3.0	79	249	156	90%	50%	75%	117	759	
Courtyard By Marriott Dunn Loring Fairfax	2722 Gallows Rd	Vienna	197	3.0	79	244	153	97%	70%	80%	123	1,350	
Towneplace Suites By Marriott Falls Church	205 Hillwood Ave	Falls Church	127	3.0	79	209	137	90%	60%	70%	96	N/A	
Weighted Averages ^{2/}:													
			4.0/4.5 Star (803 rooms)	402	4.2	\$ 135	\$ 311	\$ 212	93%	68%	75%	\$ 159	20,922
			3.0/3.5 Star (3,445 rooms)	246	3.3	\$ 96	\$ 254	\$ 166	95%	65%	73%	\$ 122	12,810
Total			266	3.5	\$ 104	\$ 265	\$ 175	95%	65%	74%	\$ 129	14,343	

1/ Hotels.com. See below for details

2/ Room counts are straight averages.

3/ Adjusted for seasonality, weekend/weekday variation, group/bulk discounts, etc.

Hotel Rating Definition:

5 Star – Deluxe: These luxury hotels offer the pinnacle of service and pampering. Pristine surroundings often include manicured landscaping and famed works of art. Guests may expect multilingual concierge and/or butler service extensive pool, spa and fitness facilities, and gourmet restaurants with world-renowned chefs. There is typically a high staff- to-guest ratio. Guestrooms feature ample space, designer linens, and special touches such as fresh flowers, champagne and flat-screen televisions. These hotels most often are located in the most desirable cities or resort destinations

4 Star – Superior: These exclusive properties offer sophisticated interiors and personalized concierge services such as travel arrangements and activity desks. The hotels usually feature opulent restaurants and bars with acclaimed chefs. Sophisticated guest facilities often include equipped fitness and massage centers, and one or more pools. Hotels of this caliber often offer conference facilities with advanced technology and professional event planning Guestrooms include stylish furnishings, wireless high-speed Internet access, stocked minibars and bathrobes

3 Star – First Class: These mid-level hotels most often cater to traveling executives with wireless Internet access, fax and copy services, transportation assistance and conference rooms. Hotels of this caliber usually offer reputable restaurants serving breakfast, lunch and dinner, a pool and a fitness room. Accommodations often include traditional décor with spacious work desks, and signature bedding with pillowtop mattresses. Hotels are usually located near convention centers or corporate complexes.

2 Star – Moderate: Typical of chain hotels, these properties offer simple, consistent services such as expanded continental breakfasts, high-speed Internet access, and cable televisions with complimentary movie channels. These value-oriented hotels often offer outdoor pools and complimentary toiletries. Guestrooms are usually accessible by exterior entrances

1 Star – Economy: Typical of chain hotels, these properties offer simple, consistent services such as expanded continental breakfasts, high-speed Internet access, and cable televisions with complimentary movie channels. These value-oriented hotels often offer outdoor pools and complimentary toiletries. Guestrooms are usually accessible by exterior entrances.

EXHIBIT VI-4

SELECTED COMPETITIVE HOTELS
HOTEL MARKET AREA
NOVEMBER 2010

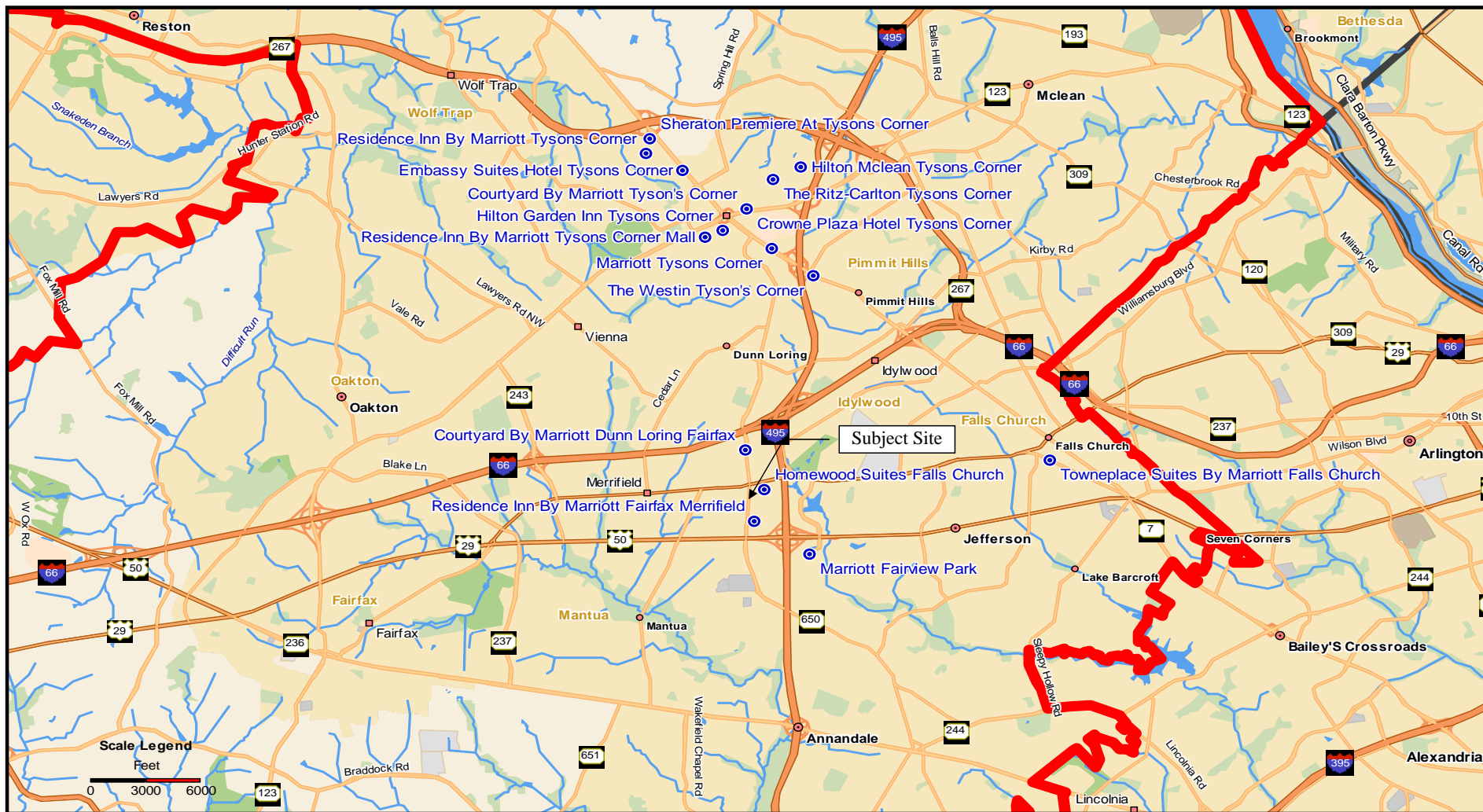


EXHIBIT VI-5

**HOTEL DEMAND
MARKET AREA
2010**

	2002	2003	2004	2005	2006	2006	2008	2009	2010e	Projections (4)			
										2011	2012	2013	2014
Gross Metro Product (\$B)	187.491	198.753	210.736	221.004	224.908	229.092	236.093	240.305	254.572	263.045	273.895	283.940	290.620
<i>Annual % Change</i>		6.0%	6.0%	4.9%	1.8%	1.9%	3.1%	1.8%	5.9%	3.3%	4.1%	3.7%	2.4%
Hotel Demand Factors													
Supply (Total Rooms)	7,687	7,705	7,679	7,479	8,013	8,058	8,058	8,093	8,241	8,314	8,386	8,459	8,533
<i>Annual % Change</i>		0.2%	-0.3%	-2.6%	7.1%	0.6%	0.0%	0.4%	1.8%	0.9%	0.9%	0.9%	0.9%
Demand (1)	5,087	5,302	5,774	5,636	5,480	5,507	5,411	5,166	5,618	5,805	6,044	6,266	6,413
<i>Annual % Change</i>		4.2%	8.9%	-2.4%	-2.8%	0.5%	-1.7%	-4.5%	8.7%	3.3%	4.1%	3.7%	2.4%
Occupancy	66%	69%	75%	75%	68%	68%	67%	64%	68%	70%	72%	74%	75%
Standard Occupancy (2)	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Implied "Standard" Demand	4,997	5,008	4,991	4,862	5,209	5,238	5,238	5,261	5,357	5,404	5,451	5,499	5,547
Under/(Over) Supply (3)	90	294	783	774	272	270	174	-95	261	401	593	767	867

(1) Total room nights sold divided by 365.

(2) "Healthy" marketwide occupancy level, comfortably above typical "break even" occupancy levels.

(3) Actual demand minus "standard" demand implied by a 65% occupancy target.

(4) Hotel demand closely tracks changes in gross metro product. In this model, demand forecasts are based on projected change in gross metro product for the metropolitan statistical area.

Hotel room supply forecast assumes inventory grows, on average, at the same annual rate as during the prior 8-year period (in this case 0.9%). 2011 - 2014 occupancy forecasts are calculated by dividing the forecasted room demand by the forecasted room supply in each year.

Sources: Moody's Economy.com (gross metro product); STR Global (hotel inventory and occupancy)

EXHIBIT VI-6

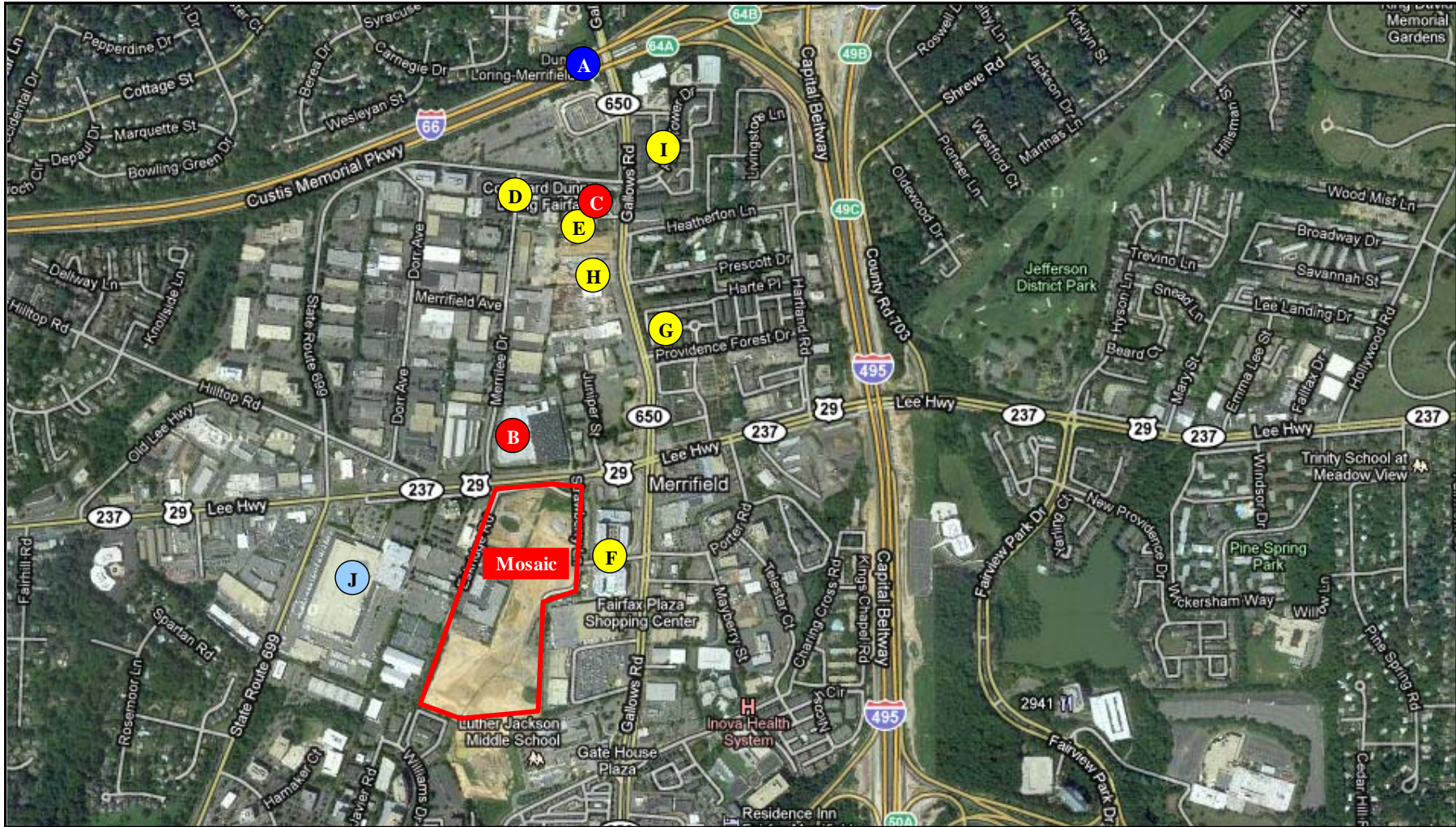
**FUTURE HOTEL DEVELOPMENT
HOTEL MARKET AREA
2010**

<u>City</u>	<u>Project Name</u>	<u>Builder/Developer</u>	<u>Location</u>	<u>Sq. Ft.</u>	<u>Status</u>
Falls Church	706 West Broad Street (Hilton Garden)	Gosnell-Palmer Hospitality Group	706 West Broad Street	110	Approved
Falls Church	City Center South	Atlantic Realty Companies	Intersection of Washington and Broad	180	Approved
Alexandria	Richmond Highway Hotel	44 Alexandria Associates	6517 Richmond Hwy	100	Proposed
				<hr/>	
			Under Const.	0	
			Approved	290	
			Proposed	100	
			Total	<hr/> <hr/> 390	

VII. SITE SPECIFIC ANALYSIS

EXHIBIT VII-1

LOCAL AREA MAP
MOSAIC DISTRICT; MERRIFIELD, VIRGINIA
NOVEMBER 2010

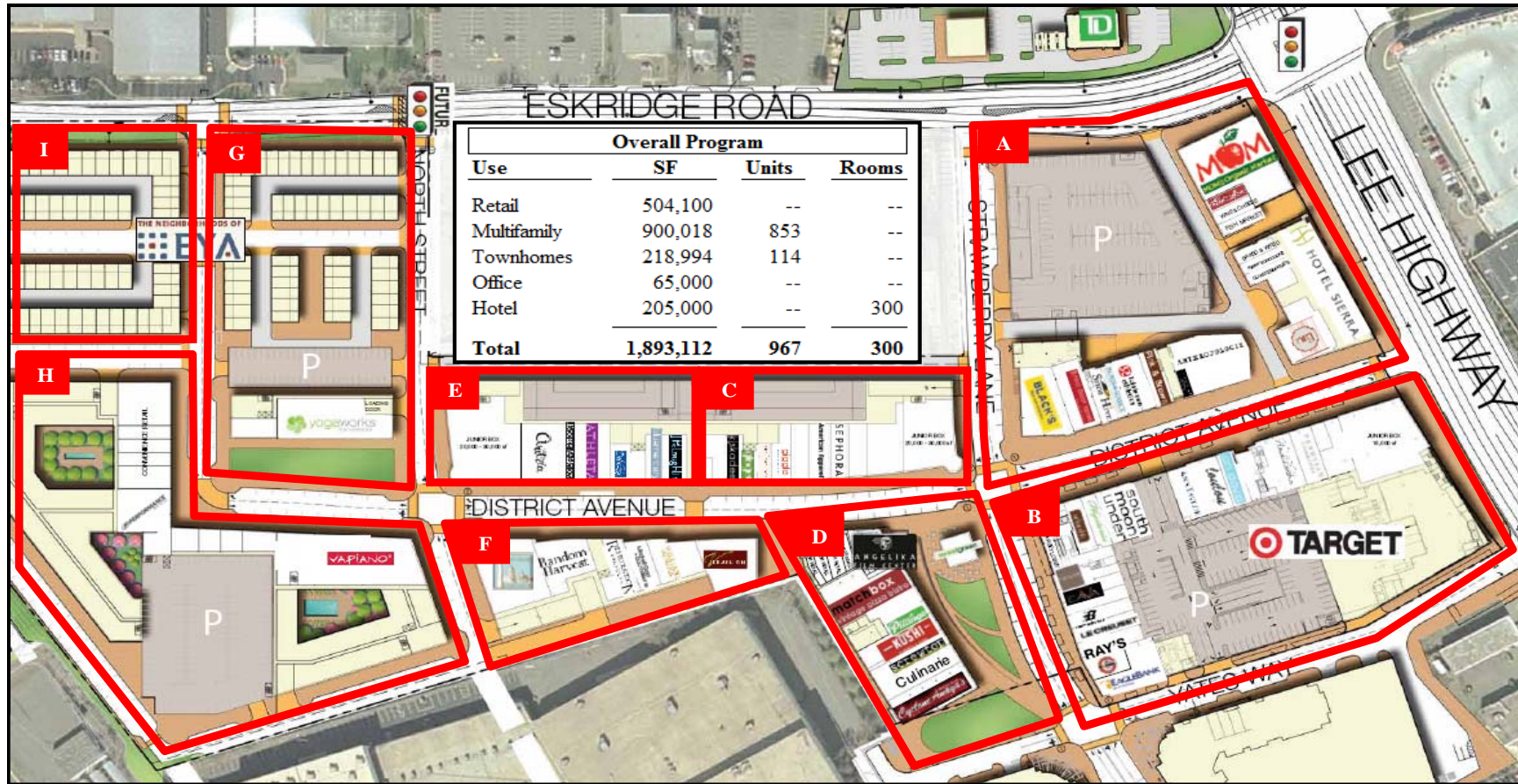


- A Dunn Loring Metro Station
- B Home Depot
- C Courtyard Hotel
- D Halstead (resale condo)
- E Wilton House (resale condo)

- F Vantage (apartments)
- G Providence Park (resale townhomes)
- H Halstead Phase B (apartment & retail - under construction)
- I Metro Place & Westbriar Plaxa (resale condo)
- J USPS

EXHIBIT VII-2

SITE MAP
MOSAIC DISTRICT; MERRIFIELD, VIRGINIA
NOVEMBER 2010



Use	Parcel A		Parcel B		Parcel C		Parcel D		Parcel E		Parcel F		Parcel G			Parcel H		Parcel I		
	SF	Rooms	SF		SF	Units	SF		SF	Units	SF	Units	SF	Units	Rooms	SF	Units	SF	Units	
Retail	54,100	--	236,600		35,000	--	73,400		35,000	--	30,000	--	20,000	--	--	20,000	--	--	--	--
Multifamily	--	--	--		135,658	127	--		135,658	128	81,872	76	--	--	--	546,830	522	--	--	--
Townhomes	--	--	--		--	--	--		--	--	--	--	92,208	48	--	--	--	126,786	66	--
Office	65,000	--	--		--	--	--		--	--	--	--	--	--	--	--	--	--	--	--
Hotel	100,000	150	--		--	--	--		--	--	--	--	105,000	150	--	--	--	--	--	--
Total	219,100	150	236,600		170,658	127	73,400		170,658	128	111,872	76	217,208	48	150	566,830	522	126,786	66	

Map Source: Edens & Avant retailer package
07406.01 SiteMap: Site

Note: Square footage represents gross.
THE CONCORD GROUP

EXHIBIT VII-3

**SITE EVALUATION
MOSAIC DISTRICT; FAIRFAX COUNTY, VIRGINIA
NOVEMBER 2010**

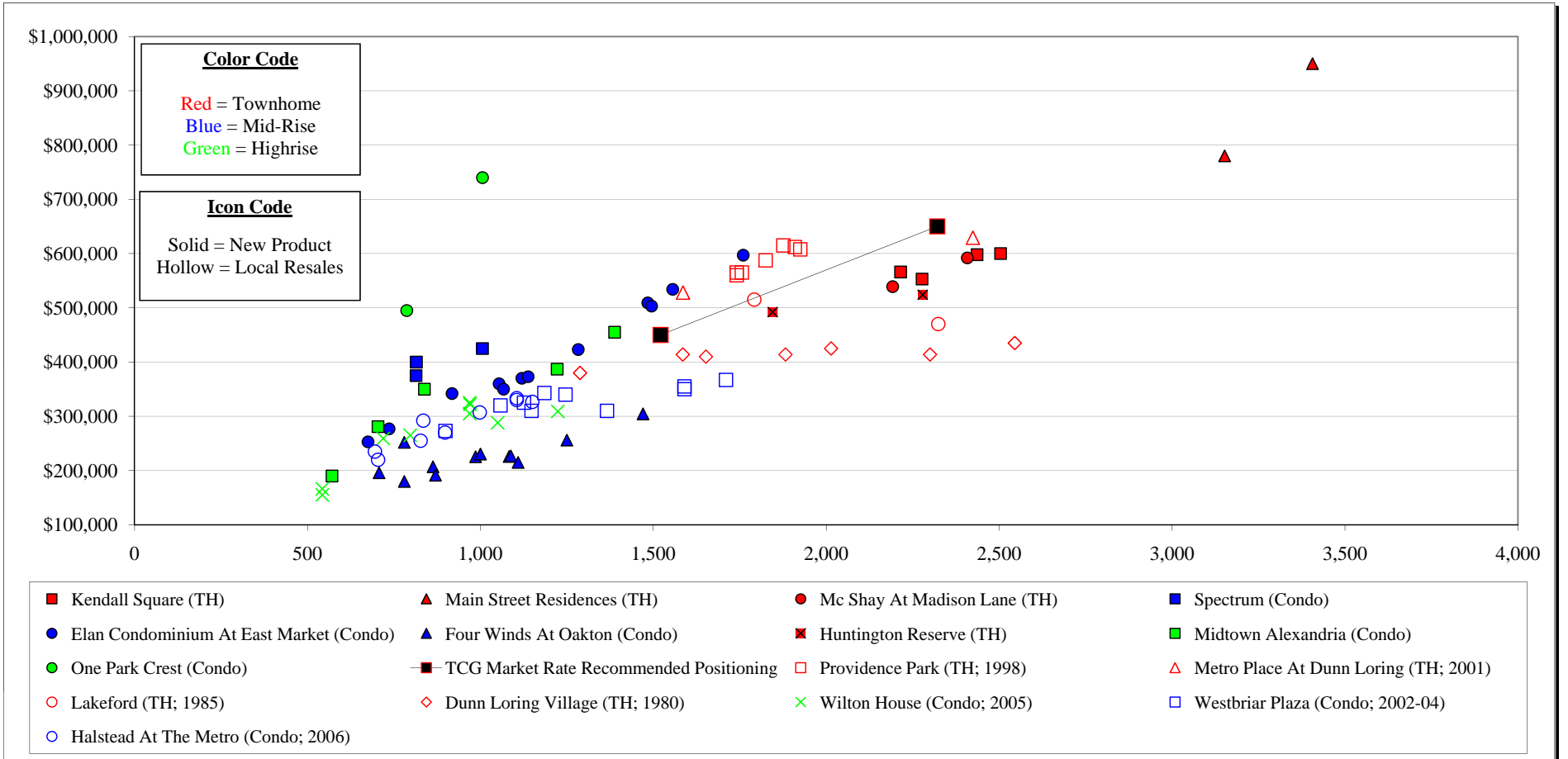
Element	Residential		Commercial			Average	Comments
	For-Sale	For-Rent	Retail	Office	Hotel		
Local Area	4.0	4.0	4.5	3.5	3.5	3.9	<ul style="list-style-type: none"> ▪ Merrifield / Dunn-Loring area transitioning from semi-industrial to mixed-use transit oriented character. ▪ Greater Fairfax area is a very high income, supply constrained market.
Access/Visibility	4.0	4.0	4.0	3.5	3.5	3.8	<ul style="list-style-type: none"> ▪ Excellent access via rail transit and automobile
Site Characteristics	5.0	5.0	5.0	5.0	5.0	5.0	<ul style="list-style-type: none"> ▪ Large parcel is rare and excellent opportunity for mixed-use place-making in infill location in otherwise highly supply-constrained market
Surrounding Land Uses	3.5	3.5	3.5	3.0	3.5	3.4	<ul style="list-style-type: none"> ▪ Attractive mix of uses within master plan represent attractive and mutually supportive surroundings for each component use. ▪ Outside of parcel boundaries is "mixed bag" of uses ranging from new residential and commercial development to existing light industrial.
Proximity to Services	4.0	4.0	n/a	3.5	3.5	3.8	<ul style="list-style-type: none"> ▪ Central location with access to Tysons Corner, Arlington, and other major service nodes. ▪ Extensive list of urban services/amenities to be included within site.
Overall Rating:	4.1	4.1	4.3	3.7	3.8	4.0	

Note: Ratings on 1 - 5 scale, with 5 = major competitive advantage, 3 = parity, and 1 = major disadvantage.

EXHIBIT VII-4

FOR-SALE RESIDENTIAL POSITIONING
RESIDENTIAL MARKET AREA
NOVEMBER 2010

Parcels	Product Type	Square Footage	Average Unit Size	Market Rate			Affordable/Workforce (1)			Total			Delivery	Absorption	
				Units	Price	\$/SF	Units	Price	\$/SF	Units	Price	\$/SF		Near-Term	Normalized
G&I	Townhome	218,994	1,921	100	\$550,000	\$286	14	\$355,385	\$185	114	\$526,646	\$274	2011	3.0	4.0



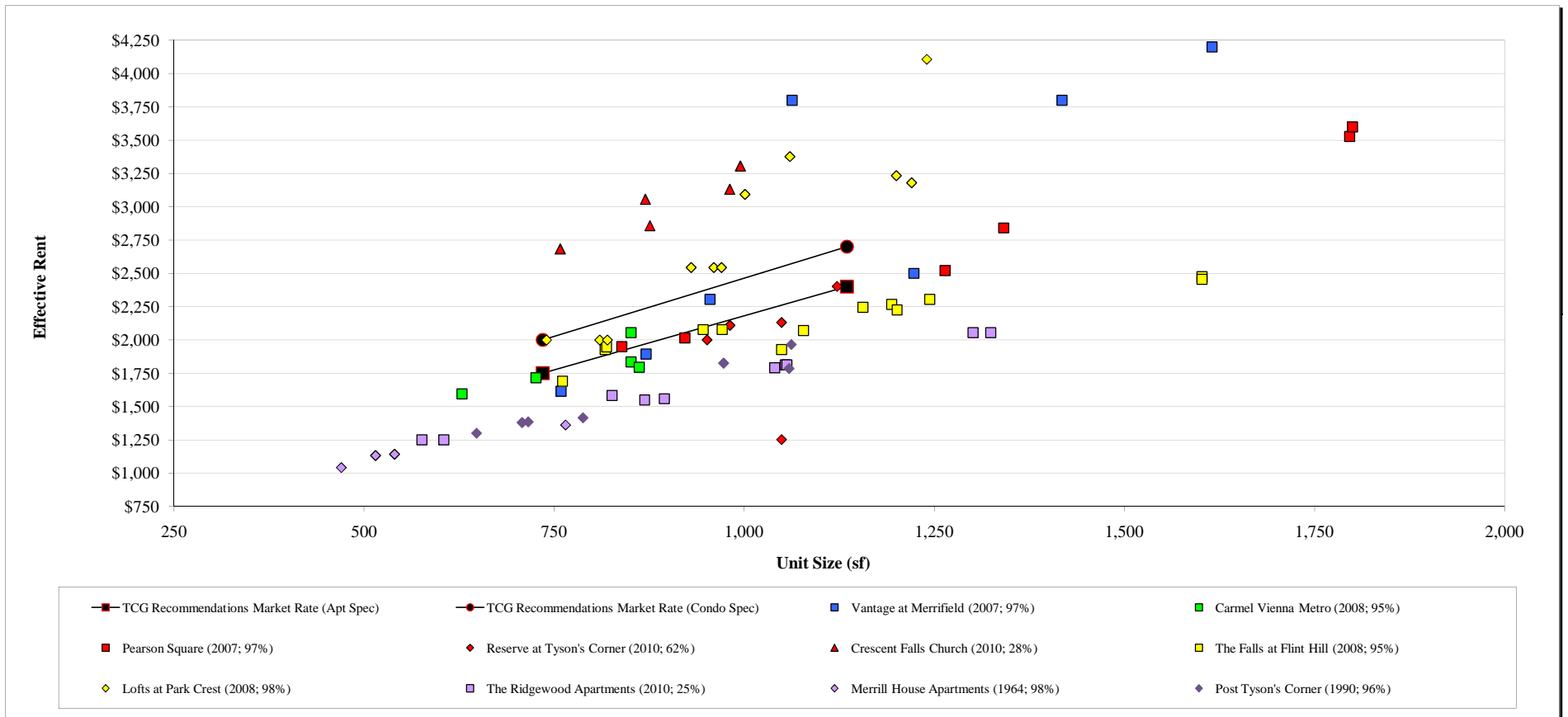
Note: Figures in parentheses indicate product type and, for resales, year built.

(1) Affordable and Workforce units represent 12% of the total mix

EXHIBIT VII-5

APARTMENT RENT POSITIONING
APARTMENT MARKET AREA
NOVEMBER 2010

Parcels	Product Type	Gross SF	Average Unit Size	Market			Workforce			Affordable 65%			Affordable 50%			Total			Delivery	Monthly Absorption
				Units	Average Rent Total	Average Rent \$/SF	Units	Average Rent Total	Average Rent \$/SF	Units	Average Rent Total	Average Rent \$/SF	Units	Average Rent Total	Average Rent \$/SF	Units	Average Rent Total	Average Rent \$/SF		
H	MidRise - Apt Spec	546,830	935	459	2,075	2.22	37	1,717	1.84	17	1,191	1.27	9	917	0.98	522	2,001	2.14	2014	20
C	MidRise - Condo Spec	135,658	935	112	2,350	2.51	9	1,717	1.84	4	1,191	1.27	2	917	0.98	127	2,243	2.40	2014	15
E	MidRise - Condo Spec	135,658	935	113	2,350	2.51	9	1,717	1.84	4	1,191	1.27	2	917	0.98	128	2,243	2.40	2014	15
F	MidRise - Condo Spec	81,872	935	67	2,350	2.51	5	1,717	1.84	3	1,191	1.27	1	917	0.98	76	2,243	2.40	2015	20
		900,018	935	751	2,182	2.33	60	1,717	1.84	28	1,191	1.27	14	917	0.98	853	2,095	2.24		



Note: Figures in parentheses indicate year built and occupancy, respectively.

EXHIBIT VII-6

RECOMMENDED OFFICE LEASE RATE POSITIONING VS. SELECTED COMPARABLES
OFFICE MARKET AREA AND ANALOGUE LOCATIONS
NOVEMBER 2010

Parcel	GLA (sf)	Average Rent (\$/sf/yr FS)
A	65,000	\$35.00

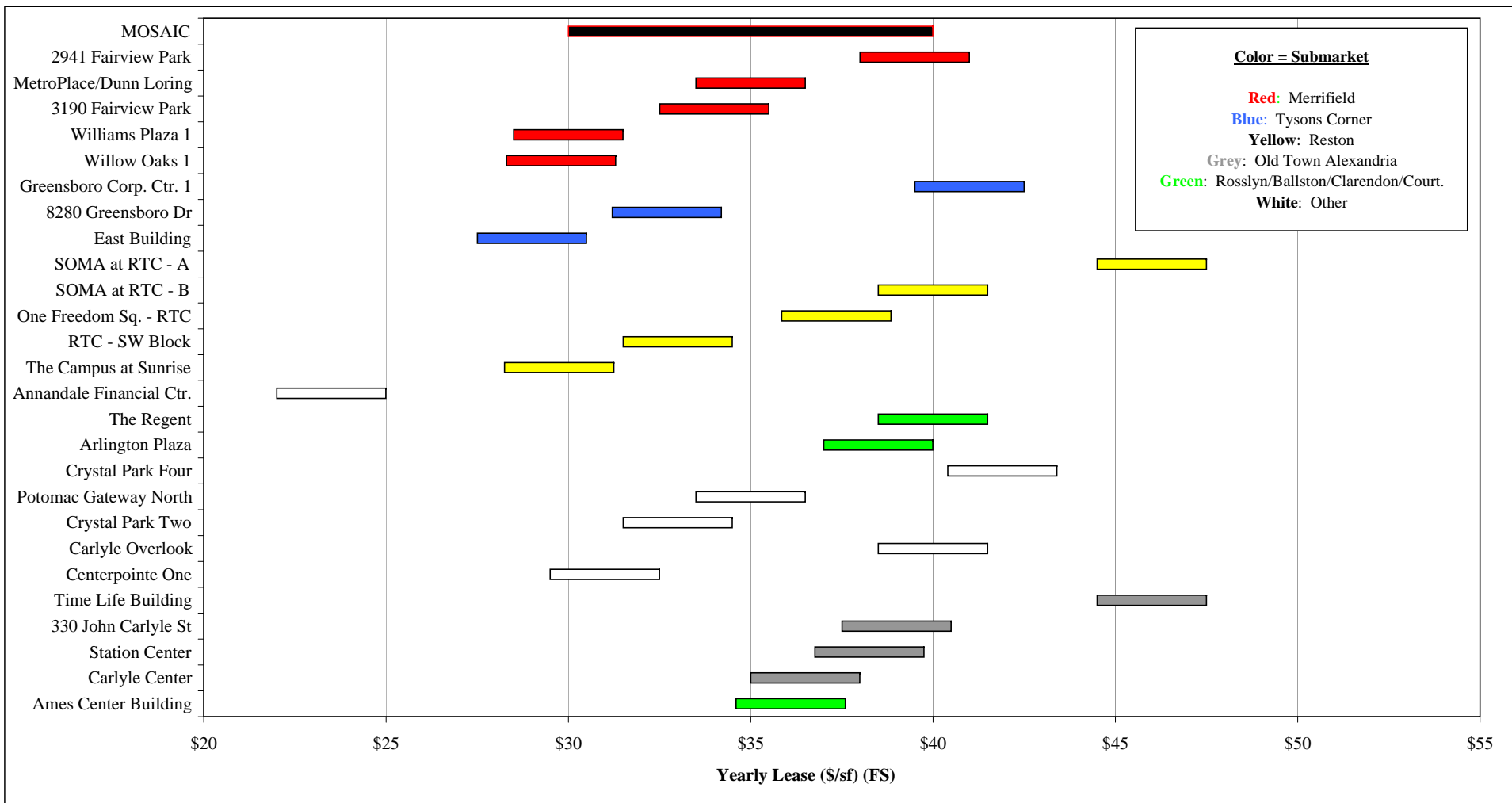


EXHIBIT VII-7

RECOMMENDED RETAIL LEASE RATE POSITIONING VS. SELECTED COMPARABLES
REGIONAL TRADE AREA AND ANALOGUE LOCATIONS
NOVEMBER 2010

Achievable lease rates summarized below. Estimated annual overall absorption is approximately 125,000 square feet (including Target) per year on average over four years.

<u>Tenant</u>	<u>SF</u>	<u>Lease Rate (NNN)</u>	<u>Delivery</u>
<u>Parcel A</u>			
Grocery, Restaurant, Other	51,300	41.11	Oct-12
<u>Parcel B</u>			
Apparel, Other	54,600	50.10	Oct-12
Target	168,900	N/A	Oct-12
<u>Parcel C</u>			
TBD - Anchor	35,000	40.00	Jun-14
<u>Parcel D</u>			
Restaurant, Theater, Other	69,100	32.71	Oct-12
<u>Parcel E</u>			
TBD - Anchor	35,000	40.00	Jun-14
<u>Parcel F</u>			
TBD	27,100	50.00	Feb-15
<u>Parcel G</u>			
TBD	20,000	50.00	Jan-14
<u>Parcel H</u>			
TBD	20,000	50.00	Jan-14

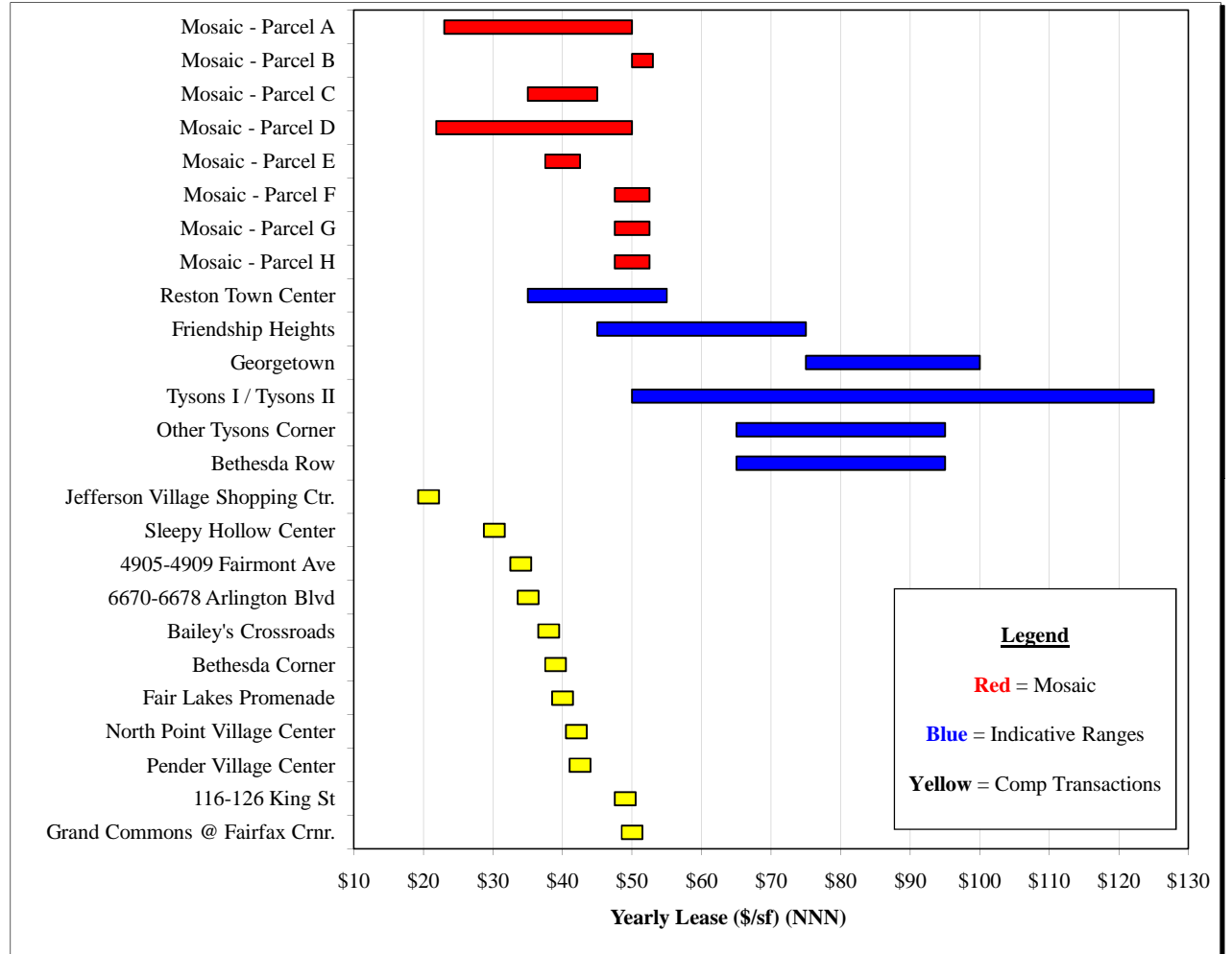


EXHIBIT VII-8

RECOMMENDED HOTEL ROOM RATE POSITIONING VS. SELECTED COMPARABLES
HOTEL MARKET AREA
NOVEMBER 2010

Parcel	Sq. Ft.	Rooms	Rate Low	Rate High	Average Daily Rate
A & G	205,000	300	\$130.00	\$230.00	\$180.00

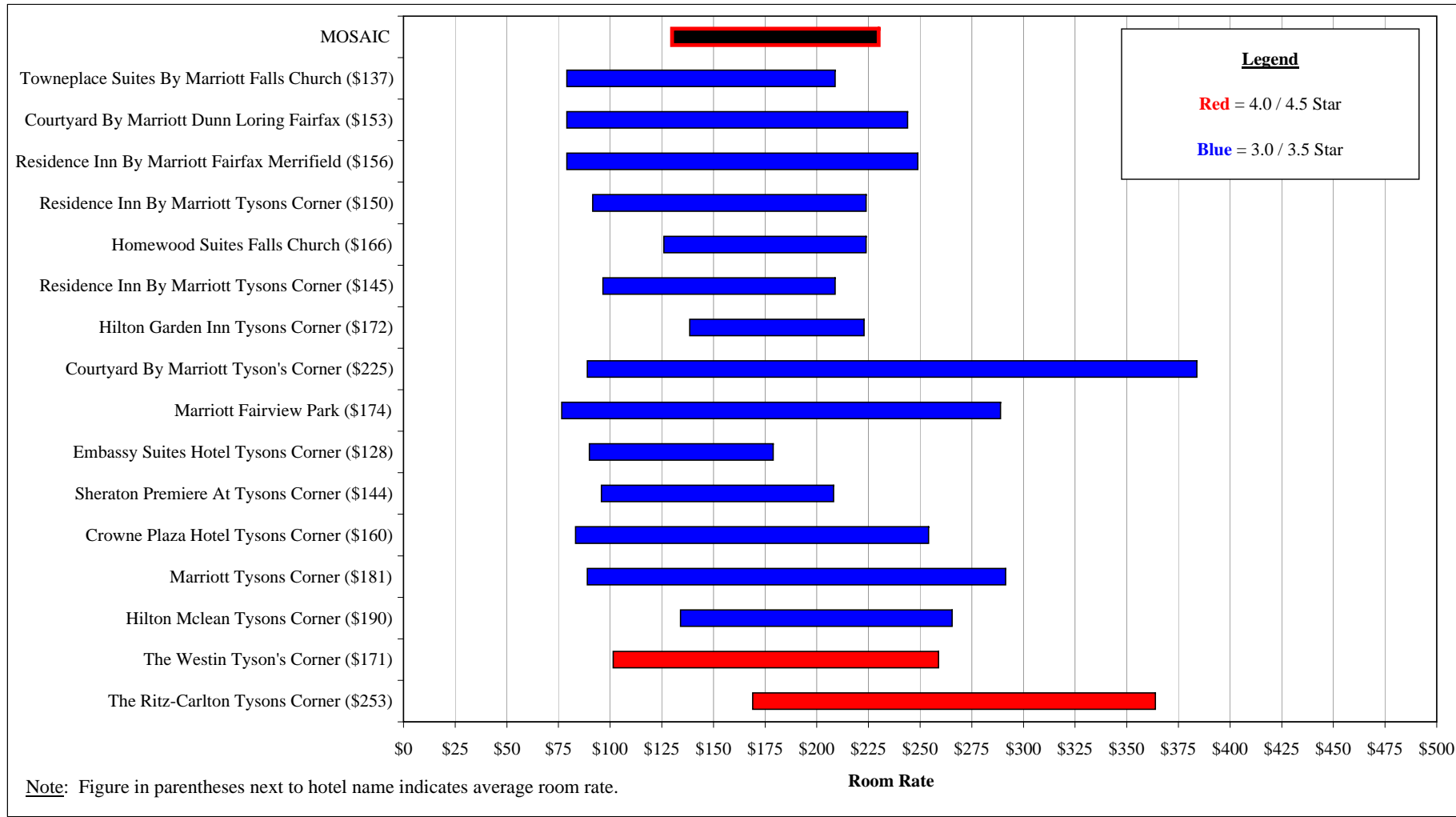


EXHIBIT VII-9

**ABSORPTION SCHEDULE
MOSAIC DISTRICT; FAIRFAX COUNTY, VIRGINIA
2010**

<u>Asset Type / Parcel</u>	<u>Description</u>	<u>Units</u>	<u>Delivery</u>	<u>Pre-Executed Leases/Sales</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Residential - For Sale										
G&I	Townhome	114 du	Sep-11	--	12	36	48	18	--	--
Residential - For Rent										
C	MidRise - Condo Spec	127 du	Jun-14	--	--	--	--	90	37	--
E	MidRise - Condo Spec	128 du	Jun-14	--	--	--	--	90	38	--
F	MidRise - Condo Spec	76 du	Feb-15	--	--	--	--	--	76	--
H	MidRise - Apt Spec	522 du	Jan-14	--	--	--	--	240	240	42
		<u>853 du</u>			<u>--</u>	<u>--</u>	<u>--</u>	<u>420</u>	<u>391</u>	<u>42</u>
Retail										
A	Grocery, Restaurant, Other	54,100 sf	Oct-12	18,000		18,000	36,100	--	--	--
B	Target	168,900 sf	Oct-12	168,900		168,900	--	--	--	--
B	Apparel, Other	67,700 sf	Oct-12	1,800		1,800	65,900	--	--	--
C	TBD - Anchor	35,000 sf	Jun-14	--		--	--	35,000	--	--
D	Restaurant, Theater, Other	73,400 sf	Oct-12	46,600		46,600	26,800	--	--	--
E	TBD - Anchor	35,000 sf	Jun-14	--		--	--	35,000	--	--
F	TBD - Other	30,000 sf	Feb-15	--		--	--	--	30,000	--
G	TBD - Other	20,000 sf	Jan-14	--		--	--	20,000	--	--
H	TBD - Other	20,000 sf	Jan-14	--		--	--	20,000	--	--
		<u>504,100 sf</u>		<u>235,300</u>		<u>235,300</u>	<u>128,800</u>	<u>110,000</u>	<u>30,000</u>	<u>--</u>
Office										
A		65,000 sf	Jul-13	--		--	65,000	--	--	--
Hotel										
A	Hotel Sierra	150 keys	Oct-12	150		150	--	--	--	--
G	Hotel (TBD)	150 keys	Jan-14	--		--	--	150	--	--
		<u>300 keys</u>								