

RCLCO

ROBERT CHARLES LESSER & CO.

**STRATEGIC PROGRAMMING RECOMMENDATIONS &
FINANCIAL ANALYSIS; CLARKSBURG TOWN CENTER;
CLARKSBURG, MARYLAND**

Prepared for:
NEWLAND COMMUNITIES

March 16, 2007

MCPB 11/06/08 - Item #5
Appendix G (RCLCO Full Report CTC)

NEWLAND COMMUNITIES

Exhibit 1

DEMAND FOR FOR-SALE HOUSING FROM ALL HOUSEHOLDS PRIMARY MARKET AREA ¹ 2006 - 2011

	Home Price										Total	
	\$0	\$170,001	\$270,001	\$390,001	\$570,001	\$800,001	\$800,001	\$800,001	\$800,001	\$800,001	and above	Total
Existing Households ⁵	79,161	51,661	56,502	64,477	44,981	50,594	50,594	50,594	50,594	50,594	50,594	347,377
x % Owner Households ⁶	43%	62%	71%	81%	86%	93%	93%	93%	93%	93%	93%	70%
Owner Households	34,435	31,991	39,978	52,082	38,727	46,935	46,935	46,935	46,935	46,935	46,935	244,147
x Annual Turnover Rate ⁶	8%	9%	10%	9%	8%	7%	7%	7%	7%	7%	7%	8%
Existing Household Annual Turnover	2,641	2,765	3,824	4,669	3,224	3,242	3,242	3,242	3,242	3,242	3,242	20,366
x % Likely to Stay Owner ⁷	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100%
= Subtotal Estimated Annual Demand for Ownership	2,641	2,765	3,824	4,669	3,224	3,242	3,242	3,242	3,242	3,242	3,242	20,366
Renter Households ⁵	44,726	19,670	16,524	12,396	6,254	3,660	3,660	3,660	3,660	3,660	3,660	103,230
x Annual Turnover Rate ⁶	31%	36%	34%	31%	31%	32%	32%	32%	32%	32%	32%	32%
Existing Household Annual Turnover	13,711	7,017	5,571	3,887	1,923	1,165	1,165	1,165	1,165	1,165	1,165	33,274
x % Renters Become Owners ⁷	9%	14%	20%	28%	36%	49%	49%	49%	49%	49%	49%	17%
= Subtotal Estimated Annual Demand for Ownership	1,279	965	1,108	1,097	691	566	566	566	566	566	566	5,706
New Households ⁵	1,431	864	807	1,057	713	977	977	977	977	977	977	5,850
x % Owner Households ⁶	54%	78%	85%	90%	92%	95%	95%	95%	95%	95%	95%	80%
= Subtotal Estimated Annual Demand for Ownership	774	673	683	949	659	928	928	928	928	928	928	4,666
Total Annual Demand for Ownership	4,695	4,403	5,614	6,715	4,574	4,737	4,737	4,737	4,737	4,737	4,737	30,738
x % Choose New ⁷	8%	15%	23%	31%	29%	21%	21%	21%	21%	21%	21%	22%
= Estimated Annual Demand for New Homes	387	650	1,302	2,075	1,317	1,000	1,000	1,000	1,000	1,000	1,000	6,731
x % Choose SFD ⁸	6%	10%	20%	44%	62%	81%	81%	81%	81%	81%	81%	43%
= Estimated Annual Demand for New SFD	25	62	257	907	822	808	808	808	808	808	808	2,881

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	Home Price	\$0	\$170,001	\$270,001	\$390,001	\$470,001	\$570,001	\$670,001	\$800,001	\$800,001 and above	Total
x % Choose TH ⁸		28%	34%	38%	30%	22%	11%	28%			
75+		2	8	6	7	3	2	28			
65-74		8	25	28	57	16	14	147			
55-64		6	26	51	97	76	85	342			
45-54		34	54	71	56	45	5	265			
35-44		43	66	143	196	91	8	547			
25-34		10	33	163	186	49	0	441			
Under 25		5	13	35	25	5	0	82			
= Estimated Annual Demand for New TH		108	223	498	624	285	114	1,852			
x % Choose Condo ⁸		66%	56%	42%	26%	16%	8%	30%			
75+		12	19	11	10	3	2	58			
65-74		41	61	52	80	17	14	265			
55-64		34	66	98	127	76	50	452			
45-54		14	17	28	28	18	5	111			
35-44		31	41	91	131	63	6	363			
25-34		82	114	210	147	31	0	584			
Under 25		39	46	56	20	3	0	164			
= Estimated Annual Demand for New Condo		254	365	546	543	211	78	1,998			
Subject Site Capture											
Townhomes											
75+		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
65-74		0.0%	0.0%	0.0%	7.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.7%
55-64		0.0%	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.9%
45-54		0.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%
35-44		0.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%
25-34		0.0%	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.2%
Under 25		0.0%	0.0%	0.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%
Total		0.0%	0.0%	0.0%	7.8%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%
75+		0	0	0	0	0	0	0	0	0	0
65-74		0	0	0	4	0	0	4	0	0	4
55-64		0	0	0	10	0	0	10	0	0	10
45-54		0	0	0	3	0	0	3	0	0	3
35-44		0	0	0	12	0	0	12	0	0	12
25-34		0	0	0	19	0	0	19	0	0	19
Under 25		0	0	0	1	0	0	1	0	0	1
Total		0	0	0	48	0	0	48	0	0	48

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DEMAND FOR FOR-SALE HOUSING FROM ALL HOUSEHOLDS PRIMARY MARKET AREA ¹ 2006 - 2011

	Home Price							Total
	\$0	\$170,001	\$270,001	\$390,001	\$570,001	\$800,001	\$800,001 and above	
Condominiums								
75+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
65-74	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%	0.0%	1.5%
55-64	0.0%	0.0%	9.5%	0.0%	0.0%	0.0%	0.0%	2.2%
45-54	0.0%	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	3.0%
35-44	0.0%	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	3.2%
25-34	0.0%	0.0%	9.5%	0.0%	0.0%	0.0%	0.0%	3.2%
Under 25	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.6%
Total	0.0%	0.0%	7.2%	0.0%	0.0%	0.0%	0.0%	2.0%
75+	0	0	0	0	0	0	0	0
65-74	0	0	3	0	0	0	0	3
55-64	0	0	9	0	0	0	0	9
45-54	0	0	1	0	0	0	0	1
35-44	0	0	5	0	0	0	0	5
25-34	0	0	20	0	0	0	0	20
Under 25	0	0	1	0	0	0	0	1
Total	0	0	39	0	0	0	0	39

¹ Defined as Montgomery County

² "Who's Buying Homes in America" by Chicago Title, 1999. Information for repeat homebuyers in Washington, D.C

³ Bankrate.com, 5-31-06, regular = 6.2%, Jumbo = 6.4%, 84% expect it to increase.

⁴ Based upon websites for various counties in the Washington, D.C. metro area.

⁵ Claritas 2006-2011 estimates and projections for the Washington, D.C. MSA

⁶ Census 2000 PUMS data for the Washington, D.C. PMSA.

⁷ Based upon, "Who's Buying Homes in America" by Chicago Title, 1999. Information for Washington, D.C. Checked against total new home sales versus total resales.

⁸ Based upon RCLCO judgment assuming product was available.

⁹ Based upon the number of competitive projects in the competitive market area, and the subject site's attributes compared to competition.

NEWLAND COMMUNITIES

Exhibit 2

PROJECTED DEMAND BY HOUSEHOLD TYPE CLARKSBURG TOWN CENTER (BLOCKS 3, 4, AND 5) FEBRUARY 2007

PRICE RANGE	TOWNHOMES				CONDOMINIUMS				TOTAL
	YOUNG PROS UNDER 35	MATURE PROS AGE 35-54	EMPTY NESTERS AGE 55-74	Total Townhomes	YOUNG PROS UNDER 35	MATURE PROS AGE 35-54	EMPTY NESTERS AGE 55-74	Total Condos	
\$0 - \$170,000	0	0	0	0	0	0	0	0	0
\$170,001 - \$270,000	0	0	0	0	0	0	0	0	0
\$270,001 - \$390,000	0	0	0	0	21	5	14	39	39
\$390,001 - \$570,000	20	12	14	45	0	0	0	0	45
\$570,001 - \$800,000	0	0	0	0	0	0	0	0	0
\$800,001 - and above	0	0	0	0	0	0	0	0	0
TOTAL DEMAND	20	12	14	45	21	5	14	39	85

NEULAND COMMUNITIES

Exhibit 3

GROWTH IN EXCESS NEW HOUSING MONTGOMERY COUNTY, MD FEBRUARY 2007

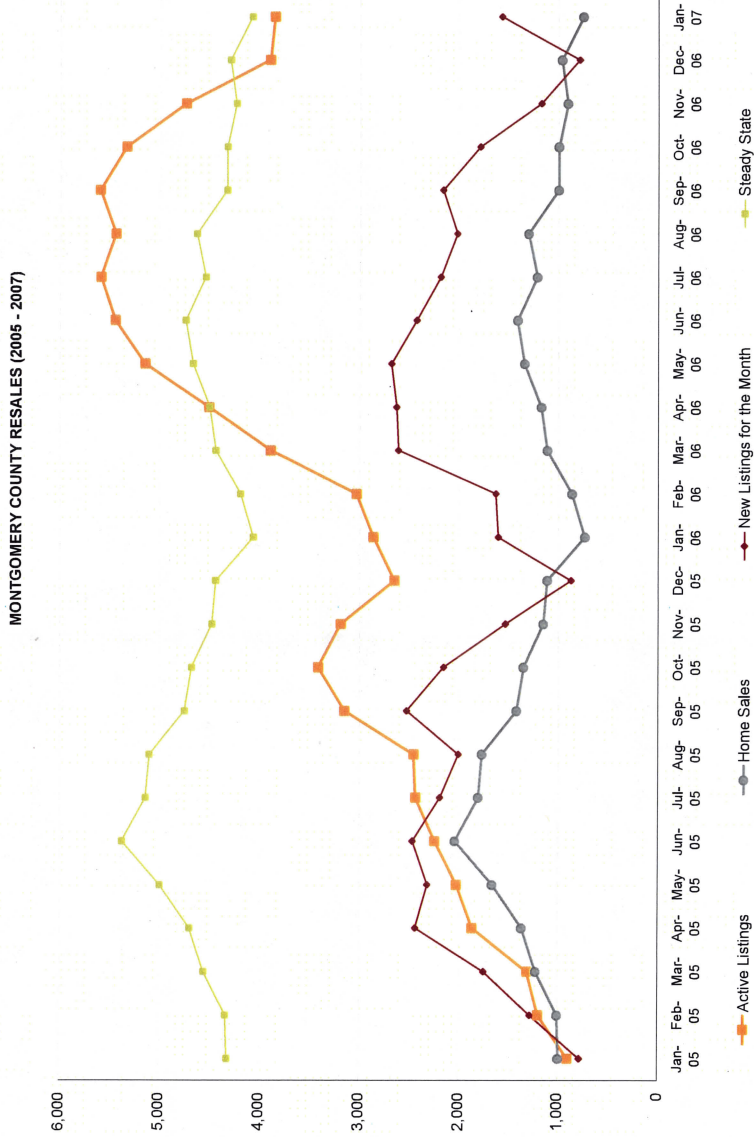
DEMAND	ACTUAL 1990-1999	2000	ANNUAL CHANGE (BASED ON PERIOD AVERAGES)						2006 (P)
			2001	2002	2003	2004	2005		
= Total Households ¹	321,086		1%						
New Households	38,183	4,243	4,489	4,489	4,489	4,489	4,489	4,489	4,598
= Demand for New Units	38,183	4,243	4,489	4,489	4,489	4,489	4,489	4,489	4,598
SUPPLY	1990-1999	2000	2001	2002	2003	2004	2005	2006	
Montgomery County	32,268	4,752	5,039	4,812	4,251	3,668	3,447	2,916	
- Avg. Demand for New Units ¹	38,183	4,243	4,489	4,489	4,489	4,489	4,489	4,598	
= Inventory Growth (Decline)	(5,915)	509	550	323	(238)	(821)	(1,042)	(1,682)	
Cumulative	--	(5,406)	(4,855)	(4,532)	(4,770)	(5,591)	(6,633)	(8,314)	

¹ Average household growth according to Metropolitan Washington Council of Governments Cooperative Forecasts (Round 7.0A) for Montgomery County.

NEWLAND COMMUNITIES

Exhibit 4

RESALE RESIDENTIAL LISTINGS VERSUS HOMES SALES MONTGOMERY COUNTY, MD JANUARY 2005 - JANUARY 2007



3,849	Current listings on MLS (Jan. 2007)
-229	Excess inventory (listings in excess of the structural inventory levels of 4.5 months of inventory)

746	January 2007 sales
5.2	Months of resale inventory at current pace
2,172	Expected sales rate based on household turnover
1.8	Months of resale inventory based on expected sales

NOTE: "Steady State" of cumulative listings is based on observed necessary inventory to move each sale (approximately 5 homes listed per sale).

SOURCE: Regional Multiple Listing Service, RCLCO

NEWLAND COMMUNITIES

Exhibit 5

INVENTORY "OVERHANG" WORKOUT MODEL WASHINGTON, D.C., MSA FEBRUARY 2007

PERMIT PROJECTIONS	2007	2008
2006 Levels	3,038	3,038
110% 2006 Levels	3,342	3,342
120% 2006 Levels	4,010	4,010
Projected from 4Q 2006	1,164	1,164
Equiv. to Structural Demand	4,598	4,598

YEAR	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	YEAR END TOTAL
2007	2006 levels	2006 levels	2006 levels	110% of 2006 levels	110% of 2006 levels
Cumulative Inventory Overhang, Beg. of Period ¹	(8,300)	(8,700)	(8,700)	(9,100)	(9,500)
Structural Demand for New Housing ²	(1,150)	(1,150)	(1,150)	(1,150)	(4,600)
Construction Starts	760	760	800	800	3,120
Cumulative Inventory Overhang, End of Period ¹	(8,700)	(9,100)	(9,500)	(9,900)	(9,900)
2008	Equivalent to Demand	Equivalent to Demand	Equivalent to Demand	Equivalent to Demand	Equivalent to Demand
Cumulative Inventory Overhang, Beg. of Period ¹	(9,900)	(9,950)	(10,000)	(10,050)	(10,050)
Structural Demand for New Housing ²	(1,150)	(1,150)	(1,150)	(1,150)	(4,600)
Construction Starts	1,100	1,100	1,100	1,100	4,400
Cumulative Inventory Overhang, End of Period ¹	(9,950)	(10,000)	(10,050)	(10,100)	(10,100)

¹ Based on analysis of structural demand for new housing vs. permits from 1990 to 2006. By year end 2006, there was a shortage of 8,300 housing units in Montgomery County.

² Based on annual projected demand for new housing from 2006-2010 of 4,400 units/year.

NEWLAND COMMUNITIES

Exhibit 6

OVERVIEW OF PROPOSED PRICING, POSITIONING, AND DEAL STRUCTURE STRATEGY CLARKSBURG TOWN CENTER FEBRUARY 2007

RESIDENTIAL PRICING AND POSITIONING

- RCLCO priced the program provided to us by Newland and made no changes in regards to unit type and mix. We based our size recommendations on what is currently being offered in the marketplace with an emphasis on smaller units in order to push value ratios and enhance absorption.
- Taken together, we expect the residential offerings at Clarksburg Town Center to achieve a weighted average price per square foot of \$272. This 23% premium (13% for just condominiums) to the currently selling Bozzuto Condominiums can be attributed to:
 - Different product offerings, including Live/Work units which comprise 18% of the residential unit count and are priced with retail income in mind (they are typically purchased by investors).
 - Town Center units include garage parking whereas the vast majority of Bozzuto's units include unassigned street parking, this will represent a market risk, mitigated by offering dedicated and reserved garage parking, ideally in a secure residential section.
 - Fewer MPDUs as a percentage of unit offerings (11% compared to 17%)
 - Closer proximity to the retail and services offered in the Town Center and the more vibrant setting that it provides.
- We further based our pricing off competitive communities in nearby markets such as Urbana, Germantown, and Gaithersburg. Comparing like product types of similar sizes, we determined that Clarksburg has a 15% location premium over Urbana and a 30% location discount relative to offerings in closer in and better established Gaithersburg.
- Our recommended prices further include a 10% premium for being apart of a Town Center and assume a high level of execution.
- RCLCO price recommendations aim to place product pricing within the range at which projects are selling at a pace of 3 to 5 units a month.
- The demand analysis assumes the following:
 - Clarksburg Town Center will capture 8% of demand for new townhomes in Montgomery County for the recommended prices. We have estimated that 60% of actively selling townhome communities are located along the I-270 corridor. Assuming that the subject property can capture 1.5 times its fair share (of 9.1%), resulting in an overall capture of 8%.
 - Clarksburg Town Center will capture 7% of demand for new condominiums in Montgomery County, based on a fair share calculation of the number of projects actively selling in the same price ranges.
- Because there are no comparable rental properties in the Clarksburg area, we looked at nearby communities in Germantown and Gaithersburg to triangulate appropriate rents at the subject site. We determined that rental apartments at Clarksburg Town Center would be able to achieve rents of \$1.50 per square foot. Rental apartments at this location would be a pioneering product this far out and RCLCO believes there is a stronger opportunity for for-sale product than there is rental product.
- RCLCO's price recommendations are reasonably conservative, but appropriate to attract a developer partner for Blocks 3, 4 and 5.

Exhibit 6

OVERVIEW OF PROPOSED PRICING, POSITIONING, AND DEAL STRUCTURE STRATEGY CLARKSBURG TOWN CENTER FEBRUARY 2007

RETAIL PRICING AND POSITIONING

- RCLCO has concluded that the retail opportunity is surprisingly strong, but that the potential for success is largely reliant on your unique market advantage in being guaranteed to be the first retail center delivered and your future development partner/customers ability to approach prospective retailers first.
- Based on the performance of comparable centers as well as through discussions with brokers, we expect the retail component of Clarksburg Town Center to achieve in-line lease rates of between \$35-\$40 (NNN). Nearby retail centers in more developed markets such as Gaithersburg and Germantown have demonstrated higher rates in some instances - but Clarksburg is still 5-10 years away from achieving the maturity of these areas. These rates are considered supportable given market conditions, but would not be characterized as conservative.
- According to our demand analysis, the subject site will support a grocery-anchored retail center that is restaurant oriented. The lack of dining options in the Clarksburg area will allow the Town Center to fill a market niche. Furthermore, restaurant tenants are typically willing to pay higher lease rates than most non-anchor retail tenants and according to retail brokers, are anxious to be located in the Clarksburg area.

DEVELOPMENT STRATEGY AND DEAL STRUCTURE

- In order to minimize complexity, stop lost revenue streams from idle land, and create a critical mass as soon as possible, we recommend the development of all three Town Center blocks at once and by a sole developer. This high level of activity will bring positive attention to the project and appease current residents of the Clarksburg Town Center community who have long awaited the development of the Town Center.
- There are two types of potential purchasers - quick-exit purchasers and income-producing purchasers. A quick-exit purchaser would develop all three blocks, sell the residential condominium units, and then, after the retail center has stabilized (year 4 or 5), would sell the retail condo to a retail operator. An income-production developer would also develop all three blocks and sell the residential units, but hold onto the retail portion as an operator for income production.
 - Potential quick-exit buyers include:
 - + EYA
 - + JBG
 - + Artery
 - + Madison Marquette
 - + Roadside Development
 - Potential income-producing buyers include:
 - + BF Saul
 - + Lerner
 - + JPI
 - + Federal Realty
- As discussed later in this presentation, our financial analysis suggests that there is a positive land value associated with this development concept with the revenue assumptions outlined above. We propose taking this opportunity to the marketplace as soon as possible while there is likely some potential upside in residential values, and thus potentially underlying land values, the potential bump of which would not offset the financial impact of a delayed land sale.

NEWLAND COMMUNITIES

Exhibit 7

INVENTORY OF OCCUPIED SQUARE FEET AND VACANCY OF RETAIL SPACE MONTGOMERY COUNTY, MD 1999 - 2006



NEWLAND COMMUNITIES

Exhibit 8

RETAIL DEMAND POTENTIAL AT BUILDOUT OF CLARKSBURG AREA TOWN CENTER RETAIL COMPONENT OF CLARKSBURG TOWN CENTER

NAICS	8,425 Households in Trade Area, 2016 COG Projection ¹	Total Expenditures in 5-mile Radius	Average Household Spending 2008 ²	Percent Spent in Town Ctr. ³	Potential	Subject Capture ⁴	Achievable Subject Site Sales	Typical Store Sales \$/sq ft ⁵	Subject Site Supportable Square Feet	Recommended Tenant Square Feet	Recommended Number of Stores	Representative Tenants	Store Size Range
442	Furniture & Home Furnishings Stores	\$5,572,047	\$1,459	0%	\$1,165,924	0%	\$466,389	\$250	1,696	2,000	1	Art & Framing Depot	2,000 - 3,000
4421	Furniture Stores	\$19,090,473	\$763	0%	\$0	40%	\$0	\$275	0	0	0	Cingular Wireless	1,200 - 2,000
4422	Home Furnishings Stores	\$16,481,574	\$676	20%	\$1,165,924	40%	\$466,389	\$275	1,696	2,000	1		
443	Electronics & Appliance Stores	\$30,570,559	\$1,254	15%	\$1,621,945	35%	\$567,681	\$275	2,064	2,000	1		
444	Bldg Materials, Garden Equip. & Supply Stores	\$143,027,085	\$5,865	15%	\$7,586,412	0%	\$0	\$250	0	0	0		
4441	Building Material and Supplies Dealers	\$130,052,106	\$5,333	15%	\$6,900,015	0%	\$0	\$250	0	0	0		
4442	Lawn and Garden Equipment and Supplies Stores	\$12,974,979	\$532	15%	\$688,398	0%	\$0	\$250	0	0	0		
445	Food & Beverage Stores	\$137,955,938	\$5,247	65%	\$43,387,804	65%	\$28,202,073	\$500	56,404	60,700	1	Client	50,000-75,000
4451	Grocery Stores	\$116,885,586	\$4,75	60%	\$39,947,249	65%	\$25,965,712	\$500	51,931	56,000	1	Hot Brands Bakery	1,000 - 3,500
4452	Specialty Food Stores	\$4,174,169	\$169	80%	\$973,122	65%	\$697,529	\$500	1,135	1,200	1	Corner Store Beer & Wine	1,500 - 4,000
4452	Beer, Wine, Liquor Stores	\$9,075,352	\$372	80%	\$2,367,453	65%	\$1,686,631	\$300	3,338	3,500	1	Rite Aid / GNC	2,000 - 25,000
446	Health & Personal Care Stores	\$52,500,465	\$2,153	20%	\$16,712,716	50%	\$8,356,358	\$300	27,855	28,000	2	Threads of Evidence	2,500 - 3,500
448	Clothing and Clothing Accessories Stores	\$66,749,517	\$2,737	20%	\$4,914,489	30%	\$1,474,347	\$275	5,361	4,600	1	Daviko Gems Jeweler	1,000 - 2,500
4481	Clothing Stores	\$67,165,211	\$338	20%	\$3,346,914	30%	\$1,002,764	\$275	3,686	3,500	1		
4482	Shoe Stores	\$8,604,921	\$343	20%	\$687,754	30%	\$186,077	\$275	694	0	0		
4483	Jewelry, Luggage, and Leather Goods Stores	\$10,892,126	\$447	25%	\$953,150	30%	\$286,945	\$275	1,051	1,000	1		
451	Sporting Goods, Hobby, Book, and Music Stores	\$24,883,554	\$1,020	15%	\$1,320,216	35%	\$462,076	\$275	1,731	0	0		
4511	Sporting Goods/Hobby/Musical Instrument Stores	\$17,335,112	\$711	15%	\$916,728	35%	\$321,905	\$250	1,171	0	0		
4512	Book, Periodical, and Music Stores	\$7,548,442	\$310	15%	\$400,488	35%	\$140,171	\$250	561	0	0		
452	General Merchandise Stores	\$151,777,800	\$6,224	0%	\$0	0%	\$0	\$250	0	0	0		
4521	Department Stores (Excluding Leased Depts.)	\$74,501,141	\$3,055	0%	\$0	0%	\$0	\$250	0	0	0		
4529	Other General Merchandise Stores	\$77,276,659	\$3,169	0%	\$0	0%	\$0	\$250	0	0	0		
453	Miscellaneous Store Retailers	\$32,692,745	\$1,341	70%	\$3,983,836	65%	\$1,577,299	\$275	5,736	5,400	1	KaBloom Flower Market	1,000 - 2,000
4531	Florists	\$2,463,124	\$101	70%	\$609,854	65%	\$396,405	\$275	1,441	1,400	1	Tinder Box	1,500 - 2,500
4532	Picture Supplies, Stationery, and Gift Stores	\$13,404,595	\$550	35%	\$1,659,446	35%	\$580,806	\$250	2,112	2,000	1		
4532	Used Merchandise Stores	\$2,975,429	\$122	0%	\$0	0%	\$0	\$250	0	0	0		
4539	Other Miscellaneous Store Retailers	\$13,849,597	\$566	35%	\$1,714,536	35%	\$600,088	\$275	2,162	2,000	1	Pottery Barn	1,500 - 2,500
722	Food Services & Drinking Places	\$111,816,683	\$4,585	30%	\$11,287,462	40%	\$4,242,482	\$300	14,142	18,000	2	Bonfish Grill	2,500 - 5,000
7221	Full-Service Restaurants	\$65,013,909	\$2,256	30%	\$5,837,611	35%	\$2,335,044	\$300	7,783	8,000	2	Starbucks / Moby Dick's	1,000 - 4,000
7222	Limited-Service Eating Places	\$51,359,640	\$2,106	30%	\$5,449,851	35%	\$1,807,448	\$300	6,358	10,000	5		
7224	Drinking Places (Alcoholic Beverages)	\$5,443,134	\$223	0%	\$0	0%	\$0	\$300	0	0	0		
TOTAL		\$777,546,393	\$31,866		\$91,982,803		\$45,346,694		114,989	120,600	19		
									15%	12,400	5	Dry Cleaner / Dentist	1,000 - 4,000
										133,000	24		

¹Based on MWCOG 2030 Round 7 via household projections for the following TAZs: 606, 607, 608, 609, 610, 611, 615, 616, 617, 618, 619, 620, plus 10% from outside of the trade area.

²Based on ESRI Business Analyst Consumer Expenditure Data of households within a 5-mile radius of Clarksburg Town Center.

³Based on RCLCO experience and judgment.

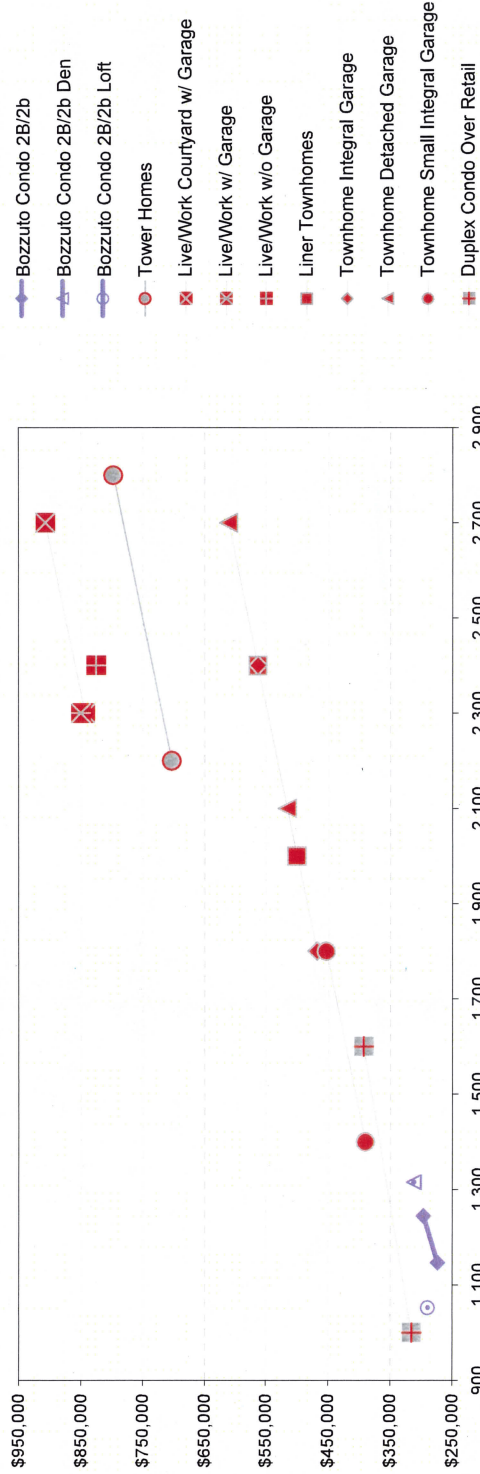
⁴Based on RCLCO experience and judgment, in 2006 dollars.



NEWLAND COMMUNITIES

Exhibit 9

RECOMMENDED PRODUCT POSITIONING RECOMMENDED PRODUCT AGAINST ACTIVELY SELLING PRODUCT FEBRUARY 2007



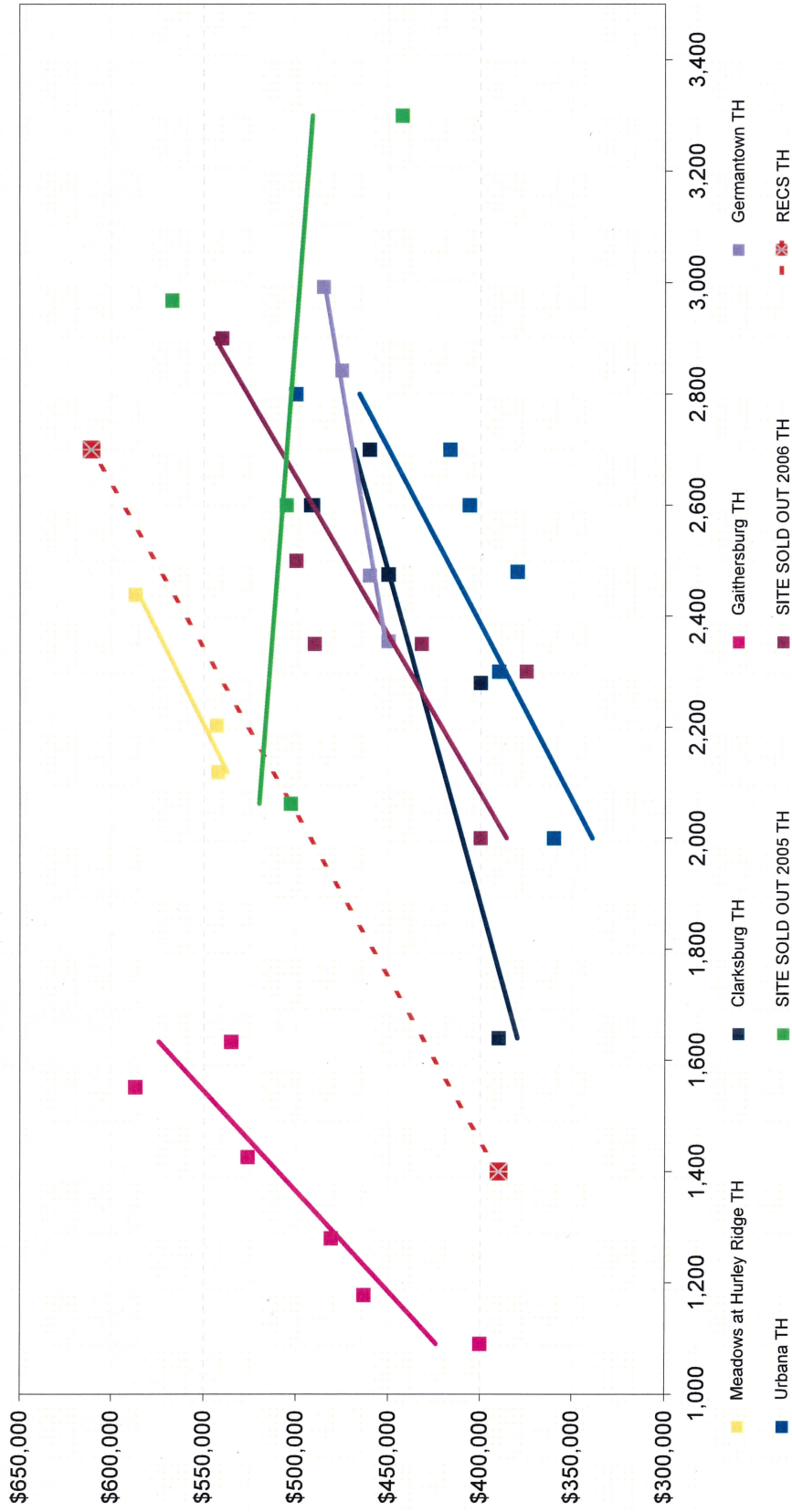
BUILDER	NAME	LOT DIM.	BEGIN SALES	TOTAL UNITS ¹	UNITS SOLD	PRICE RANGE			SQUARE FEET			\$/SF						
						MIN.	MAX.	AVG.	MIN.	MAX.	AVG.	MIN.	MAX.	AVG.				
TBD	Tower Homes			0														
TBD	Live/Work Courtyard w/ Garage	24' x 40'		9		\$703,000	\$797,000	\$750,000	2,200	2,800	2,500	\$320	\$285	\$300				
TBD	Live/Work w/ Garage	24' x 40'		0		\$843,000	\$907,000	\$875,000	2,300	2,700	2,500	\$367	\$336	\$350				
TBD	Live/Work w/o Garage	24' x 40'		0		\$850,000	\$850,000	\$850,000	2,300	2,300	2,300	\$370	\$370	\$370				
TBD	Liner Townhomes	24' x 30'		22		\$825,000	\$825,000	\$825,000	2,400	2,400	2,400	\$344	\$344	\$344				
TBD	Townhome Integral Garage	22' x 40'		20		\$500,000	\$563,000	\$532,000	2,000	2,400	2,200	\$250	\$235	\$242				
TBD	Townhome Detached Garage	22' x 40'		1		\$468,000	\$563,000	\$516,000	1,800	2,400	2,100	\$260	\$235	\$246				
TBD	Townhome Small Integral Garage	18' x 36'		13		\$390,000	\$453,000	\$422,000	1,400	1,800	1,600	\$279	\$252	\$264				
TBD	MPDU Townhome Small Integral Garage	18' x 36'		0		\$292,000	\$292,000	\$292,000	1,300	1,300	1,300	\$225	\$225	\$225				
TBD	Duplex Condo Over Retail	15' x 50'		3		\$316,000	\$393,000	\$354,000	1,000	1,600	1,300	\$316	\$246	\$272				
TBD	MPDU Condo Over Retail	15' x 50'		17		\$237,000	\$237,000	\$237,000	1,000	1,000	1,000	\$237	\$237	\$237				
Bozzuto	Condo MPDU 2B/1b		Oct-04	20	2	\$108,660	\$108,660	\$108,660	896	896	896	\$121	\$121	\$121				
Bozzuto	Condo 2B/2b		Oct-04	60	6	\$273,400	\$296,450	\$284,925	1,147	1,245	1,196	\$238	\$238	\$238				
Bozzuto	Condo 2B/2b Den		Oct-04	30	12	\$311,900	\$312,900	\$312,400	1,316	1,316	1,316	\$237	\$238	\$237				
Bozzuto	Condo 2B/2b Loft		Oct-04	10	12	\$289,900	\$289,900	\$289,900	1,053	1,053	1,053	\$275	\$275	\$275				

¹Total in blocks 3, 4, and 5 in the Town Center.

NEWLAND COMMUNITIES

Exhibit 10A

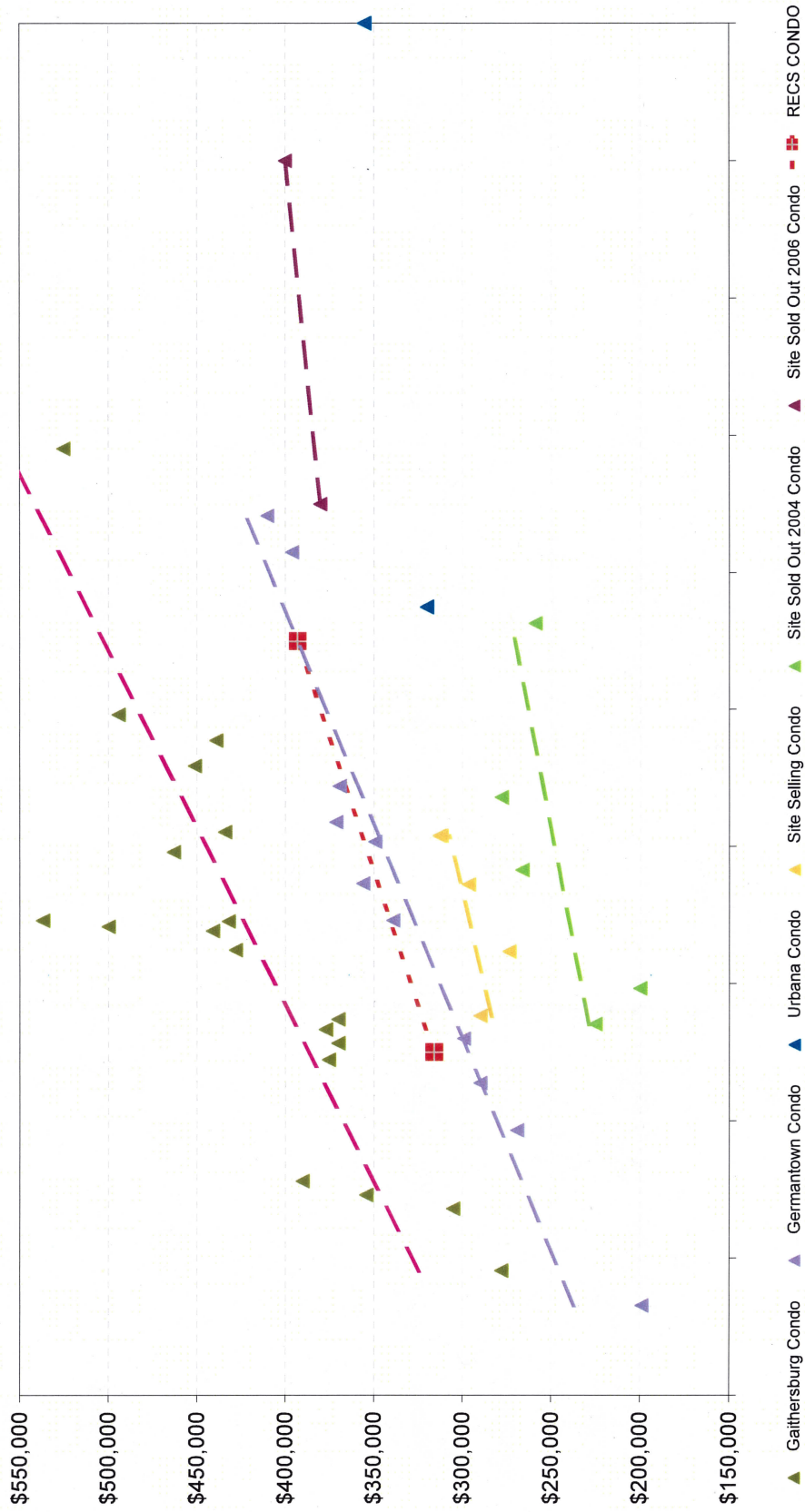
RECOMMENDED TOWNHOME POSITIONING AGAINST COMPETITIVE COMMUNITIES SUBJECT SITE AND COMPETITIVE SUBMARKETS FEBRUARY 2007



NEWLAND COMMUNITIES

Exhibit 10B

RECOMMENDED CONDOMINIUM POSITIONING AGAINST COMPETITIVE MARKET
SUBJECT SITE AND COMPETITIVE SUBMARKETS
FEBRUARY 2007



NEWLAND COMMUNITIES

Exhibit 11

DEVELOPMENT PROGRAM AND ASSUMPTIONS CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MARYLAND FEBRUARY 2007

DEVELOPMENT PROGRAM RETAIL	Block						Total	Efficiency	Construction Per Sq. Ft.	Rent (NNN) Per Sq. Ft.	Gross Sq. Ft.	Avol. Unit Price Per Sq. Ft.	Avol. Price/Ft.	Avol. Size	Efficiency	Gross Sq. Ft.	Construction Per Sq. Ft.	Parking Req. (Garage or Surface)	Parking Req. (Street)
	3	4	5	6	7	8													
Total GLA	33,500	15,000	84,500	133,000			133,000												
Grocery Store	0	0	56,000	56,000			56,000	90%	\$85	\$30									
In-line Retail	33,500	15,000	28,500	77,000			77,000	90%	\$200	\$40									
Total Retail Construction Costs	\$7,444,444	\$3,333,333	\$11,622,222	\$22,400,000															
Grocery Store	\$0	\$0	\$5,288,889	\$5,288,889															
In-line Retail	\$7,444,444	\$3,333,333	\$6,333,333	\$17,111,111															
DEVELOPMENT PROGRAM RESIDENTIAL	3	4	5	6	7	8	Total	Avol. Size	Avol. Price/Ft.	Avol. Unit Price Per Sq. Ft.	Gross Sq. Ft.	Efficiency	Construction Per Sq. Ft.	Parking Req. (Garage or Surface)	Parking Req. (Street)				
Tower Homes	0	0	0	0	0	0	0	2,500	\$300	\$750,000	2,941	85%	\$111	0.0	0.0				
Live/Work Courtyard w/Garage	0	0	0	9	0	0	9	2,500	\$350	\$875,000	3,125	80%	\$130	4.0	0.0				
Live/Work w/ Garage (24' or 22')	0	0	0	0	0	0	0	2,300	\$370	\$850,000	3,067	75%	\$125	2.3	0.0				
Live/Work w/o Garage (24' or 22')	10	12	0	0	0	0	22	2,400	\$344	\$825,000	2,824	85%	\$135	4.0	0.0				
Liner Townhomes (24'X30')	8	0	12	0	0	0	20	2,200	\$242	\$532,000	2,444	90%	\$125	1.7	0.0				
Townhome Integral Garage (22'x40')	0	1	0	0	0	0	1	2,100	\$246	\$516,000	2,625	80%	\$125	0.0	0.0				
Townhome Detached Garage (22'x40')	0	13	0	0	0	0	13	2,400	\$235	\$563,000	2,824	85%	\$125	0.0	0.0				
Townhome Small Integral Garage (18'X38')	0	0	0	0	0	0	0	1,600	\$264	\$422,400	2,000	80%	\$135	0.0	0.0				
MPDU Townhome Small Integral Garage (18'X38')	0	3	0	0	0	0	3	1,300	\$225	\$292,000	1,625	80%	\$120	0.0	0.0				
Duplex Condo Over Retail (15'X50' or 60')	37	16	37	0	0	0	90	1,300	\$272	\$354,000	1,529	85%	\$135	1.7	0.0				
MPDU Condo Over Retail (15'X50' or 60')	7	3	7	0	0	0	17	1,000	\$237	\$237,000	1,176	85%	\$125	1.0	0.0				
Duplex Rental Over Retail (15'X50' or 60')	0	0	0	0	0	0	0	1,300	\$150	\$195,000	1,529	85%	\$130	1.7	0.0				
MPDU Rental Over Retail (15'X50' or 60')	0	0	0	0	0	0	0	1,000	\$110	\$110,000	1,176	85%	\$120	1.0	0.0				
Total	62	48	65	175	175	175	290,500			\$81,265,000	340,984		\$44,736,957	328	0				
Residential Construction Costs	\$14,925,033	\$13,820,184	\$15,991,740	\$44,736,957															
Total Site Costs	\$291,626	\$130,579	\$735,595	\$1,157,800				\$8.7 per Retail SF											

NEWLAND COMMUNITIES

Exhibit 11

DEVELOPMENT PROGRAM AND ASSUMPTIONS CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MARYLAND FEBRUARY 2007

	Block						Total
	3		4		6		
	Garage	Street	Surface	Street	Garage	Street	Total
PARKING REQUIREMENTS							
Residential							
Tower Homes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Live/Work Courtyard w/Garage	0.0	0.0	0.0	0.0	4.0	0.0	4.0
Live/Work w/ Garage (24' or 22')	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Live/Work w/o Garage (24' or 22')	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liner Townhomes (24'X30')	1.7	0.0	0.0	0.0	1.7	0.0	3.4
Townhome Integral Garage (22'X40')	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Townhome Detached Garage (22'X40')	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Townhome Small Integral Garage (18'X38')	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MPDU Townhome Small Integral Garage (18'X36')	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Duplex Condo Over Retail (15'X50' or 60')	1.7	0.0	1.7	0.0	1.7	0.0	3.4
MPDU Condo Over Retail (15'X50' or 60')	1.0	0.0	1.0	0.0	1.0	0.0	2.0
Duplex Rental Over Retail (15'X50' or 60')	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MPDU Rental Over Retail (15'X50' or 60')	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Residential Parking Spaces Required	124	0	78	0	126	0	328
Retail							
Grocery Store	0.0	0.0	0.0	0.0	4.3	0.0	4.3
In-line Retail	4.3	0.0	4.3	0.0	4.3	0.0	8.6
Retail Spaces Required							
Grocery Store	0	0	0	0	241	0	241
In-line Retail	144	0	65	0	123	0	331
Total Retail Parking Spaces Required	144	0	65	0	363	0	572
Total Spaces Required	268	0	143	0	490	0	900
Cost Per Space	\$20,000	\$2,000	\$10,000	\$2,000	\$20,000	\$2,000	\$26,000
Total Parking Costs	\$5,351,000	\$0	\$1,427,000	\$0	\$9,793,000	\$0	\$16,571,000
Retail Parking Costs	\$2,861,000	\$0	\$645,000	\$0	\$7,267,000	\$0	\$10,793,000

NEWLAND COMMUNITIES

Exhibit 12

RESIDUAL LAND VALUE ANALYSIS OF BLOCKS 3, 4, AND 5: CONDOMINIUMS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	2007	2008	2009	2010	2011	2012
	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
	0	1	2	3	4	5
TOTAL						
FOR-SALE RESIDENTIAL REVENUES						
Total						
Block 3	\$ 28,584,635	\$ -	\$ -	\$ 28,584,635	\$ -	\$ -
Block 4	\$ 26,129,589	\$ -	\$ -	\$ 26,129,589	\$ -	\$ -
Block 5	\$ 30,376,350	\$ -	\$ -	\$ 30,376,350	\$ -	\$ -
TOTAL REVENUE, FOR-SALE RESIDENTIAL	\$ 85,090,574	\$ -	\$ -	\$ 85,090,574	\$ -	\$ -
FOR-RENT RESIDENTIAL REVENUES						
Total						
Block 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Block 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Block 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE, FOR-RENT RESIDENTIAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COSTS						
Block 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Block 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Block 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE, FOR-RENT RESIDENTIAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RENTAL APARTMENT OPERATING COSTS						
Block 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Block 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Block 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET REVENUE, RENTAL APARTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITALIZED VALUE, RENTAL APARTMENTS						
Block 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Block 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Block 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE, RENTAL APARTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RETAIL REVENUES						
Block 3	\$ 4,317,674	\$ -	\$ -	\$ 1,396,898	\$ 1,438,805	\$ 1,481,970
Block 4	\$ 1,933,287	\$ -	\$ -	\$ 625,477	\$ 644,241	\$ 663,568
Block 5	\$ 9,086,447	\$ -	\$ -	\$ 2,939,742	\$ 3,027,934	\$ 3,118,772
REVENUE AFTER VACANCY, RETAIL	\$ 15,337,407	\$ -	\$ -	\$ 4,962,117	\$ 5,110,981	\$ 5,264,310
COSTS						
Block 3	\$ (1,754,852)	\$ -	\$ -	\$ (1,495,472)	\$ (127,773)	\$ (131,606)
Block 4	\$ (785,754)	\$ -	\$ -	\$ (669,614)	\$ (57,212)	\$ (58,928)
Block 5	\$ (2,086,737)	\$ -	\$ -	\$ (1,540,879)	\$ (268,896)	\$ (276,963)
RETAIL OPERATING COSTS	\$ (4,627,343)	\$ -	\$ -	\$ (3,705,965)	\$ (453,881)	\$ (467,497)
NET REVENUE, RETAIL	\$ 10,710,064	\$ -	\$ -	\$ 1,256,152	\$ 4,657,100	\$ 4,796,813
CAPITALIZED VALUE, RETAIL						
Block 3	\$ 74,667,567	\$ -	\$ -	\$ 1,256,152	\$ 4,657,100	\$ 4,657,100
Block 4	\$ 74,667,567	\$ -	\$ -	\$ 1,256,152	\$ 4,657,100	\$ 4,657,100
Block 5	\$ 159,758,141	\$ -	\$ -	\$ 86,346,726	\$ 4,657,100	\$ 4,657,100
GRAND TOTAL REVENUE	\$ 319,193,275	\$ -	\$ -	\$ 199,259,030	\$ 19,028,300	\$ 19,028,300

NEWLAND COMMUNITIES

Exhibit 12

RESIDUAL LAND VALUE ANALYSIS OF BLOCKS 3, 4, AND 5: CONDOMINIUMS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	2007 YEAR		2008 YEAR		2009 YEAR		2010 YEAR		2011 YEAR		2012 YEAR	
	0		1		2		3		4		5	
	TOTAL											
COSTS												
Block 3	\$ (29,801,542)	\$ -	\$ (5,770,493)	\$ (11,887,216)	\$ (12,243,833)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Block 4	\$ (19,973,175)	\$ -	\$ (3,854,486)	\$ (7,940,241)	\$ (8,178,448)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Block 5	\$ (40,715,303)	\$ -	\$ (7,857,367)	\$ (16,186,176)	\$ (16,671,761)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL HARD COSTS	\$ (90,590,020)	\$ -	\$ (17,482,346)	\$ (36,013,633)	\$ (37,094,041)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus Contingency 5%	\$ (4,529,501)	\$ -	\$ (874,117)	\$ (1,800,682)	\$ (1,854,702)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL HARD COSTS PLUS CONTINGENCY	\$ (95,119,521)	\$ -	\$ (18,356,463)	\$ (37,814,314)	\$ (38,948,744)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SOFT COSTS												
Block 3	\$ (4,107,201)	\$ -	\$ (1,147,671)	\$ (1,551,255)	\$ (1,408,276)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Block 4	\$ (3,165,629)	\$ -	\$ (935,469)	\$ (1,183,941)	\$ (1,046,220)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Block 5	\$ (5,079,805)	\$ -	\$ (1,357,622)	\$ (1,932,797)	\$ (1,789,386)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL SOFT COSTS	\$ (12,352,636)	\$ -	\$ (3,440,761)	\$ (4,667,993)	\$ (4,243,882)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land	\$ (16,911,417)	\$ -	\$ (16,911,417)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COSTS	\$ (124,383,574)	\$ -	\$ (38,708,642)	\$ (42,482,307)	\$ (43,192,625)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	\$ 159,758,141	\$ -	\$ -	\$ -	\$ 86,346,726	\$ 4,657,100	\$ 68,754,316	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COSTS	\$ (124,383,574)	\$ -	\$ (38,708,642)	\$ (42,482,307)	\$ (43,192,625)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NET REVENUE	\$ 35,374,567	\$ -	\$ (38,708,642)	\$ (42,482,307)	\$ 43,154,100	\$ 4,657,100	\$ 68,754,316	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative Net Revenue	\$ 35,374,567	\$ -	\$ (38,708,642)	\$ (81,190,949)	\$ (38,036,848)	\$ (33,379,748)	\$ 35,374,567	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Balance												
Loan Draw	\$ 64,952,759	\$ -	\$ -	\$ 34,063,605	\$ 74,854,395	\$ 39,185,734	\$ 38,447,208	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 25,150,370	\$ -	\$ 30,966,913	\$ 33,985,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment	\$ (90,103,129)	\$ -	\$ 3,096,691	\$ 6,804,945	\$ 7,485,440	\$ 3,918,573	\$ 3,844,721	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ (9,103,129)	\$ -	\$ -	\$ -	\$ (43,154,100)	\$ (4,657,100)	\$ (42,291,929)	\$ -	\$ -	\$ -	\$ -	\$ -
LEVERAGED CASH FLOW	\$ 10,224,197	\$ -	\$ (7,741,728)	\$ (8,496,461)	\$ -	\$ -	\$ 26,462,387	\$ -	\$ -	\$ -	\$ -	\$ -
EQUITY OUTSTANDING AT YEAR END	\$ 10,224,197	\$ -	\$ (7,741,728)	\$ (8,496,461)	\$ (16,238,190)	\$ (16,238,190)	\$ (16,238,190)	\$ -	\$ -	\$ -	\$ -	\$ -
UNLEVERAGED IRR	15%											
LEVERAGED IRR	15%											
TOTAL PROJECT NPV	15%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
NPV @	15%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

NEWLAND COMMUNITIES

Exhibit 13

RESIDUAL LAND VALUE ANALYSIS OF BLOCKS 3, 4, AND 5: RENTAL APARTMENTS OVER RETAIL CLARKSBURG TOWN CENTER, MONTGOMERY COUNTY, MD FEBRUARY 2007

	2007 YEAR 0	2008 YEAR 1	2009 YEAR 2	2010 YEAR 3	2011 YEAR 4	2012 YEAR 5
FOR-SALE RESIDENTIAL REVENUES						
Total						
Block 3	\$ 13,093,138	\$ -	\$ -	\$ 13,093,138	\$ -	\$ -
Block 4	\$ 19,441,699	\$ -	\$ -	\$ 19,441,699	\$ -	\$ -
Block 5	\$ 14,884,853	\$ -	\$ -	\$ 14,884,853	\$ -	\$ -
TOTAL REVENUE, FOR-SALE RESIDENTIAL	\$ 47,419,689	\$ -	\$ -	\$ 47,419,689	\$ -	\$ -
FOR-RENT RESIDENTIAL REVENUES						
Total						
Block 3	\$ 3,236,330	\$ -	\$ -	\$ 1,047,051	\$ 1,078,463	\$ 1,110,816
Block 4	\$ 1,398,289	\$ -	\$ -	\$ 452,389	\$ 465,961	\$ 479,939
Block 5	\$ 3,236,330	\$ -	\$ -	\$ 1,047,051	\$ 1,078,463	\$ 1,110,816
TOTAL REVENUE, FOR-RENT RESIDENTIAL	\$ 7,870,949	\$ -	\$ -	\$ 2,546,491	\$ 2,622,886	\$ 2,701,572
COSTS						
Block 3	\$ (1,114,578)	\$ -	\$ -	\$ (360,600)	\$ (371,418)	\$ (382,560)
Block 4	\$ (481,295)	\$ -	\$ -	\$ (155,714)	\$ (160,385)	\$ (165,197)
Block 5	\$ (1,114,578)	\$ -	\$ -	\$ (360,600)	\$ (371,418)	\$ (382,560)
RENTAL APARTMENT OPERATING COSTS	\$ (2,710,452)	\$ -	\$ -	\$ (876,913)	\$ (903,221)	\$ (930,317)
NET REVENUE, RENTAL APARTMENTS	\$ 5,160,497	\$ -	\$ -	\$ 1,669,578	\$ 1,719,665	\$ 1,771,255
CAPITALIZED VALUE, RENTAL APARTMENTS						
TOTAL REVENUE, RENTAL APARTMENTS	\$ 30,464,138	\$ -	\$ -	\$ 1,669,578	\$ 1,719,665	\$ 25,303,641
7.0% CAP RATE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,074,896
RETAIL REVENUES						
Block 3	\$ 4,317,674	\$ -	\$ -	\$ 1,396,898	\$ 1,438,805	\$ 1,481,970
Block 4	\$ 1,933,287	\$ -	\$ -	\$ 625,477	\$ 644,241	\$ 663,568
Block 5	\$ 9,086,447	\$ -	\$ -	\$ 2,939,742	\$ 3,027,934	\$ 3,118,772
REVENUE AFTER VACANCY, RETAIL	\$ 15,337,407	\$ -	\$ -	\$ 4,962,117	\$ 5,110,981	\$ 5,264,310
COSTS						
Block 3	\$ (1,754,852)	\$ -	\$ -	\$ (1,495,472)	\$ (127,773)	\$ (131,606)
Block 4	\$ (785,754)	\$ -	\$ -	\$ (669,614)	\$ (57,212)	\$ (58,928)
Block 5	\$ (2,086,737)	\$ -	\$ -	\$ (1,540,879)	\$ (268,896)	\$ (276,963)
RETAIL OPERATING COSTS	\$ (4,627,343)	\$ -	\$ -	\$ (3,705,965)	\$ (455,881)	\$ (467,497)
NET REVENUE, RETAIL	\$ 10,710,064	\$ -	\$ -	\$ 1,256,152	\$ 4,657,100	\$ 4,796,813
CAPITALIZED VALUE, RETAIL						
TOTAL REVENUE, RETAIL	\$ 74,667,567	\$ -	\$ -	\$ 1,256,152	\$ 4,657,100	\$ 63,957,503
7.5% CAP RATE	\$ 152,551,395	\$ -	\$ -	\$ 50,345,419	\$ 6,376,765	\$ 95,829,212
GRAND TOTAL REVENUE	\$ 152,551,395	\$ -	\$ -	\$ 50,345,419	\$ 6,376,765	\$ 95,829,212

NEWLAND COMMUNITIES

Exhibit 13

RESIDUAL LAND VALUE ANALYSIS OF BLOCKS 3, 4, AND 5: RENTAL APARTMENTS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	2007 YEAR		2008 YEAR		2009 YEAR		2010 YEAR		2011 YEAR		2012 YEAR	
	0		1		2		3		4		5	
	TOTAL											
COSTS												
Block 3	\$ (29,555,563)	\$ -	\$ (5,703,725)	\$ (11,749,674)	\$ (12,102,164)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Block 4	\$ (19,823,731)	\$ -	\$ (3,825,646)	\$ (7,880,830)	\$ (8,117,255)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Block 5	\$ (40,369,324)	\$ -	\$ (7,790,599)	\$ (16,048,633)	\$ (16,530,092)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL HARD COSTS	\$ (89,748,617)	\$ -	\$ (17,319,969)	\$ (35,679,137)	\$ (36,749,511)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus Contingency 5%	\$ (4,487,431)	\$ -	\$ (865,998)	\$ (1,783,957)	\$ (1,837,476)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL HARD COSTS PLUS CONTINGENCY	\$ (94,236,048)	\$ -	\$ (18,185,968)	\$ (37,463,094)	\$ (38,586,987)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SOFT COSTS												
Block 3	\$ (3,150,033)	\$ -	\$ (770,533)	\$ (1,214,930)	\$ (1,164,570)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Block 4	\$ (2,752,400)	\$ -	\$ (772,652)	\$ (1,038,742)	\$ (941,006)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Block 5	\$ (4,122,637)	\$ -	\$ (980,484)	\$ (1,596,473)	\$ (1,545,680)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL SOFT COSTS	\$ (10,025,071)	\$ -	\$ (2,523,670)	\$ (3,850,144)	\$ (3,651,256)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land	\$ (10,893,093)	\$ -	\$ (10,893,093)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COSTS	\$ (114,954,213)	\$ -	\$ (31,402,731)	\$ (41,313,238)	\$ (42,238,243)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	\$ 152,551,395	\$ -	\$ -	\$ -	\$ 50,345,419	\$ 6,376,765	\$ 95,829,212	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COSTS	\$ (114,954,213)	\$ -	\$ (31,402,731)	\$ (41,313,238)	\$ (42,238,243)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NET REVENUE	\$ 37,597,182	\$ -	\$ (31,402,731)	\$ (41,313,238)	\$ 8,107,176	\$ 6,376,765	\$ 95,829,212	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Cumulative Net Revenue</i>	\$ 37,597,182	\$ -	\$ (31,402,731)	\$ (72,715,970)	\$ (64,608,794)	\$ (58,232,029)	\$ 37,597,182	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Balance	\$ -	\$ -	\$ -	\$ 27,634,404	\$ 66,753,494	\$ 65,321,667	\$ 65,477,069	\$ -	\$ -	\$ -	\$ -	\$ -
Loan Draw	\$ 58,172,776	\$ -	\$ 25,122,185	\$ 33,050,591	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 28,335,941	\$ -	\$ 2,512,219	\$ 6,068,499	\$ 6,675,349	\$ 6,532,167	\$ 6,547,707	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment	\$ (86,508,717)	\$ -	\$ -	\$ -	\$ (8,107,176)	\$ (6,376,765)	\$ (72,024,776)	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ 27,634,404	\$ 66,753,494	\$ 65,321,667	\$ 65,477,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LEVERAGED CASH FLOW	\$ 9,261,241	\$ -	\$ (6,280,546)	\$ (8,262,648)	\$ (14,543,194)	\$ (14,543,194)	\$ 23,804,435	\$ -	\$ -	\$ -	\$ -	\$ -
EQUITY OUTSTANDING AT YEAR END	\$ -	\$ -	\$ (6,280,546)	\$ (14,543,194)	\$ (14,543,194)	\$ (14,543,194)	\$ 9,261,241	\$ -	\$ -	\$ -	\$ -	\$ -
UNLEVERAGED IRR	14%		BLOCK 3	BLOCK 4	BLOCK 5							
LEVERAGED IRR	15%		14%	15%	14%							
			15%	15%	15%							
TOTAL PROJECT NPV	15%	\$ 125,918	BLOCK 3	BLOCK 4	BLOCK 5							
NPV @			(0)	(0)	0							

NEWLAND COMMUNITIES

Exhibit 14

RESIDUAL LAND VALUE ANALYSIS BY RESIDENTIAL PRODUCT TYPE CLARKSBURG TOWN CENTER, MONTGOMERY COUNTY, MARYLAND FEBRUARY 2007

Product Type	Avg. Size	Gross Sq. Ft.	Avg. Unit Price	Construction	Parking	Costs Soft	Financing	Total	Revenue	Net Builder Profit	Builder Profit	Residual Value
Tower Homes	2,500	2,941	\$ 750,000	\$ (326,471)	\$ -	\$ (73,251)	\$ (31,978)	\$ (431,700)	\$ 318,300	15%	\$ (64,755)	\$ 253,546
Live/Work Courtyard w/Garage	2,500	3,125	\$ 875,000	\$ (406,250)	\$ (80,000)	\$ (94,142)	\$ (46,431)	\$ (626,823)	\$ 248,177	15%	\$ (94,024)	\$ 154,153
Live/Work w/ Garage (24' or 22')	2,300	3,067	\$ 850,000	\$ (383,333)	\$ (46,000)	\$ (87,907)	\$ (41,379)	\$ (558,620)	\$ 291,380	15%	\$ (83,793)	\$ 207,587
Live/Work w/o Garage (24' or 22')	2,400	2,824	\$ 825,000	\$ (381,176)	\$ (80,000)	\$ (88,986)	\$ (44,013)	\$ (594,175)	\$ 230,825	15%	\$ (89,126)	\$ 141,698
Liner Townhomes (24'X30')	2,200	2,444	\$ 532,000	\$ (305,556)	\$ (34,000)	\$ (60,857)	\$ (32,033)	\$ (432,446)	\$ 99,554	15%	\$ (64,867)	\$ 34,688
Townhome Integral Garage (22'X40')	2,100	2,625	\$ 516,000	\$ (328,125)	\$ -	\$ (58,926)	\$ (30,964)	\$ (418,015)	\$ 97,985	15%	\$ (62,702)	\$ 35,282
Townhome Detached Garage (22'X40')	2,400	2,824	\$ 563,000	\$ (352,941)	\$ -	\$ (63,876)	\$ (33,345)	\$ (450,162)	\$ 112,838	15%	\$ (67,524)	\$ 45,313
Townhome Small Integral Garage (18'X38')	1,600	2,000	\$ 422,400	\$ (270,000)	\$ -	\$ (48,352)	\$ (25,468)	\$ (343,821)	\$ 78,579	15%	\$ (51,573)	\$ 27,006
MPDU Townhome Small Integral Garage (18'X36')	1,300	1,625	\$ 292,000	\$ (195,000)	\$ -	\$ (34,114)	\$ (18,329)	\$ (247,443)	\$ 44,557	10%	\$ (24,744)	\$ 19,813
Duplex Condo Over Retail (15'X50' or 60')	1,300	1,529	\$ 354,000	\$ (206,471)	\$ (34,000)	\$ (41,692)	\$ (22,573)	\$ (304,736)	\$ 49,264	15%	\$ (45,710)	\$ 3,554
MPDU Condo Over Retail (15'X50' or 60')	1,000	1,176	\$ 237,000	\$ (147,059)	\$ (20,000)	\$ (28,412)	\$ (15,638)	\$ (211,109)	\$ 25,891	10%	\$ (21,111)	\$ 4,780

Note: Residual land values exclude a share of the site work and mediation costs.

NEWLAND COMMUNITIES

Appendix 15

SENSITIVITY TESTING OF RESIDUAL LAND ANALYSIS CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MARYLAND FEBRUARY 2007

SCENARIO	Retail	Rental	Residential	Lease Rates (NNN)		Tenant Improvements		Condo	Rental Apt.
	Cap Rate	Cap Rate	Pricing Premium	Grocery	In-line	Grocery	In-line	Residual Land Value	Residual Land Value
CONSERVATIVE	7.5%	7.5%	0.0%	\$25	\$35	\$0	\$50	\$9,245,502	\$1,885,525
AGGRESSIVE CAP RATE AND PRICES	6.5%	6.5%	5.0%	\$30	\$35	\$0	\$35	\$21,446,199	\$15,184,637
AGGRESSIVE CAP RATE	6.5%	6.5%	0.0%	\$30	\$35	\$0	\$35	\$18,533,470	\$13,483,369
AGGRESSIVE PRICES	7.5%	7.0%	5.0%	\$30	\$40	\$0	\$35	\$19,824,146	\$12,383,595
BASE	7.5%	7.0%	0.0%	\$30	\$40	\$0	\$35	\$16,911,417	\$10,693,093

NEWLAND COMMUNITIES

APPENDIX

NEWLAND COMMUNITIES

Appendix 1A

DEMAND FOR FOR-SALE HOUSING FROM HOUSEHOLDS OVER 75 YEARS OF AGE PRIMARY MARKET AREA¹ 2006 - 2011

	\$0	\$50,000	\$75,000	\$100,000	\$150,000	\$200,000	\$250,000	Average
HH Income								
Down Payment: ²	20.0%	30.0%	40.0%	40.0%	50.0%	60.0%	60.0%	40.0%
Interest Rate: ³	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%
PMI/2nd Mortgage Higher Rate ³	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Taxes/Fees ⁴	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Percent of Income Spent on Housing ²	26.4%	25.2%	24.6%	24.0%	22.8%	18.0%	18.0%	23.5%
Calculated Home Price	\$0	\$170,000	\$270,000	\$390,000	\$570,000	\$810,000	\$810,000	Total
Existing >75 Year Old Households ⁵	15,236	6,088	4,001	4,100	1,521	1,679	1,679	32,625
x % Owner Households ⁶	56%	91%	93%	95%	90%	88%	88%	75%
Owner Households	8,513	5,540	3,721	3,895	1,369	1,481	1,481	24,520
x Annual Turnover Rate ⁶	1%	2%	1%	1%	2%	0%	0%	1%
Existing Household Annual Turnover	110	115	39	38	28	6	6	336
x % Likely to Stay Owner ⁷	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100%
= Subtotal Estimated Annual Demand for Ownership	110	115	39	38	28	6	6	336
Renter Households ⁵	6,723	548	280	205	152	198	198	8,105
x Annual Turnover Rate ⁶	12%	13%	9%	20%	8%	19%	19%	12%
Existing Household Annual Turnover	804	71	24	41	12	37	37	991
x % Renters Become Owners ⁷	0.8%	1.5%	2.0%	3.0%	4.0%	5.0%	5.0%	1%
= Subtotal Estimated Annual Demand for Ownership	6	1	0	1	0	2	2	12
New >75 Year Old Households ⁵	125	50	33	34	12	14	14	267
x % Owner Households ⁶	56%	91%	93%	95%	90%	88%	88%	75%
= Subtotal Estimated Annual Demand for Ownership	70	45	30	32	11	12	12	201
Total Annual Demand for Ownership	186	162	70	71	39	20	20	548
x % Choose New ⁷	8%	17%	29%	32%	25%	20%	20%	22%
= Estimated Annual Demand for New Homes	15	27	20	23	10	4	4	100
x % Choose SFD ⁸	5%	2%	15%	23%	28%	30%	30%	14%
= Estimated Annual Demand for New SFD	1	1	3	5	3	1	1	14
x % Choose TH ⁸	15%	28%	30%	32%	35%	35%	35%	28%
= Estimated Annual Demand for New SFA	2	8	6	7	3	1	1	28
x % Choose Condo ⁸	80%	70%	55%	45%	37%	35%	35%	58%
= Estimated Annual Demand for New Condo	12	19	11	10	4	1	1	58

¹ Defined as Montgomery County.
² "Who's Buying Homes in America" by Chicago Title, 1999. Information for repeat homebuyers in Washington, D.C.
³ Bankrate.com, 5-31-06, regular = 6.2%, jumbo = 6.4%, 84% expect it to increase.
⁴ Based upon websites for various counties in the Washington, D.C. metro area.
⁵ Chertias 2006-2011 estimates and projections for the Washington, D.C. MSA
⁶ Census 2000 PUMS data for the Washington, D.C. PMSA.
⁷ Based upon "Who's Buying Homes in America" by Chicago Title, 1999. Information for Washington, D.C. Checked against total new home sales versus total resales.
⁸ Based upon RCLCO judgment assuming product was available.



Appendix 1B

DEMAND FOR FOR-SALE HOUSING FROM HOUSEHOLDS 65 - 74 YEARS OF AGE PRIMARY MARKET AREA ¹ 2006 - 2011

	\$0	\$50,001	\$75,001	\$100,000	\$150,000	\$200,000	\$200,001	\$200,001	\$200,001	Average
HH Income	\$0	\$50,001	\$75,001	\$100,000	\$150,000	\$200,000	\$200,001	\$200,001	\$200,001	
Down Payment: ²	17.5%	26.3%	35.0%	35.0%	35.0%	43.8%	52.5%	52.5%	52.5%	35.0%
Interest Rate: ³	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%
PMI/2nd Mortgage Higher Rate ³	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Taxes/Fees ⁴	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Percent of Income Spent on Housing ²	27.5%	26.3%	25.6%	25.0%	25.0%	23.8%	18.8%	18.8%	18.8%	24.5%
Calculated Home Price	\$0	\$170,001	\$270,001	\$390,001	\$570,001	\$800,000	\$800,001	\$800,001	\$800,001	Total
	\$170,000	\$270,000	\$390,000	\$570,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	
Existing 65-74 Year Old Households ⁵	11,028	6,363	4,656	6,026	6,026	2,326	3,011	3,011	3,011	33,410
x % Owner Households ⁶	64%	90%	95%	95%	95%	98%	98%	98%	98%	84%
Owner Households	7,058	5,727	4,423	5,725	5,725	2,275	2,937	2,937	2,937	28,145
x Annual Turnover Rate ⁶	3%	3%	2%	4%	4%	2%	1%	1%	1%	3%
Existing Household Annual Turnover	185	179	71	224	224	55	36	36	36	749
x % Likely to Stay Owner ⁷	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100%
= Subtotal Estimated Annual Demand for Ownership	185	179	71	224	224	55	36	36	36	749
Renter Households ⁵	3,970	636	233	301	301	51	74	74	74	5,265
x Annual Turnover Rate ⁶	16%	23%	20%	19%	19%	0%	0%	0%	0%	17%
Existing Household Annual Turnover	650	145	48	58	58	0	0	0	0	901
x % Renters Become Owners ⁷	8.0%	15.0%	20.0%	30.0%	30.0%	40.0%	50.0%	50.0%	50.0%	11%
= Subtotal Estimated Annual Demand for Ownership	52	22	10	17	17	0	0	0	0	101
New 65-74 Year Old Households ⁵	608	351	257	332	332	128	166	166	166	1,842
x % Owner Households ⁶	64%	90%	95%	95%	95%	98%	98%	98%	98%	84%
= Subtotal Estimated Annual Demand for Ownership	389	316	244	316	316	125	162	162	162	1,552
Total Annual Demand for Ownership	626	516	324	557	557	180	198	198	198	2,402
x % Choose New ⁷	8%	17%	29%	32%	32%	25%	20%	20%	20%	22%
= Estimated Annual Demand for New Homes	52	88	94	178	178	45	40	40	40	496
x % Choose SFD ⁸	5%	2%	15%	23%	23%	28%	30%	30%	30%	17%
= Estimated Annual Demand for New SFD	3	2	14	41	41	13	12	12	12	84
x % Choose TH ⁸	15%	28%	30%	32%	32%	35%	35%	35%	35%	30%
= Estimated Annual Demand for New SFA	8	25	28	57	57	16	14	14	14	147
x % Choose Condo ⁸	80%	70%	55%	45%	45%	37%	35%	35%	35%	53%
= Estimated Annual Demand for New Condo	41	61	52	80	80	17	14	14	14	265

¹ Defined as Montgomery County.
² "Who's Buying Homes in America" by Chicago Title, 1999. Information for repeat homebuyers in Washington, D.C.
³ Bankrate.com, 5-31-06, regular = 6.2%, jumbo = 6.4%, 84% expect it to increase.
⁴ Based upon websites for various counties in the Washington, D.C. metro area.
⁵ Claritas 2006-2011 estimates and projections for the Washington, D.C. MSA.
⁶ Census 2000 PUMS data for the Washington, D.C. PMSA.
⁷ Based upon, "Who's Buying Homes in America" by Chicago Title, 1999. Information for Washington, D.C. Checked against total new home sales versus total resales.
⁸ Based upon RCLCO judgment assuming product was available.

NEWLAND COMMUNITIES

Appendix 1C

DEMAND FOR FOR-SALE HOUSING FROM HOUSEHOLDS 55 - 64 YEARS OF AGE PRIMARY MARKET AREA¹ 2006 - 2011

	\$0	\$50,001	\$75,001	\$100,001	\$150,001	\$200,001	Average
HH Income	\$0	\$50,001	\$75,001	\$100,001	\$150,001	\$200,001 and above	
Down Payment: ²	17.5%	26.3%	35.0%	35.0%	43.8%	52.5%	35.0%
Interest Rate: ³	6.8%	6.8%	6.8%	6.8%	6.8%	7.0%	6.8%
PMI/2nd Mortgage Higher Rate ³	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Taxes/Fees ⁴	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Percent of Income Spent on Housing ²	30.8%	29.4%	28.7%	28.0%	26.6%	21.0%	27.4%
Calculated Home Price	\$0	\$190,001	\$310,001	\$440,001	\$640,001	\$900,001 and above	Total
	\$190,000	\$310,000	\$440,000	\$640,000	\$900,000		
Existing 55-64 Year Old Households ⁵	12,312	8,897	8,482	13,255	7,860	10,838	61,844
x % Owner Households ⁶	53%	82%	86%	92%	95%	96%	83%
Owner Households	6,525	7,296	7,295	12,195	7,467	10,404	51,182
x Annual Turnover Rate ⁶	3%	6%	5%	5%	5%	5%	5%
Existing Household Annual Turnover	216	407	354	566	390	505	2,438
x % Likely to Stay Owner ⁷	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100%
= Subtotal Estimated Annual Demand for Ownership	216	407	354	566	390	505	2,438
Renter Households ⁵	5,787	1,601	1,187	1,060	393	434	10,463
x Annual Turnover Rate ⁶	14%	20%	23%	19%	41%	36%	18%
Existing Household Annual Turnover	805	322	272	199	161	156	1,916
x % Renters Become Owners ⁷	9.0%	16.0%	18.0%	32.0%	40.0%	50.0%	20%
= Subtotal Estimated Annual Demand for Ownership	72	52	49	64	65	78	379
New 55-64 Year Old Households ⁵	546	395	376	588	349	481	2,735
x % Owner Households ⁶	53%	82%	86%	92%	95%	96%	83%
= Subtotal Estimated Annual Demand for Ownership	289	324	324	541	331	462	2,270
Total Annual Demand for Ownership	578	782	727	1,170	786	1,044	5,088
x % Choose New ⁷	8%	17%	29%	32%	25%	20%	22%
= Estimated Annual Demand for New Homes	48	133	211	375	196	209	1,171
x % Choose SFD ⁸	5%	2%	18%	35%	45%	55%	32%
= Estimated Annual Demand for New SFD	2	3	38	131	88	115	377
x % Choose TH ⁸	15%	28%	30%	30%	30%	30%	29%
= Estimated Annual Demand for New SFA	7	37	63	112	59	63	342
x % Choose Condo ⁸	80%	70%	52%	35%	25%	15%	39%
= Estimated Annual Demand for New Condo	38	93	110	131	49	31	452

¹ Defined as Montgomery County.

² "Who's Buying Homes in America" by Chicago Title, 1999. Information for repeat homebuyers in Washington, D.C.

³ Bankrate.com, 5-31-06, regular = 6.2%, jumbo = 6.4%, 84% expect it to increase.

⁴ Based upon websites for various counties in the Washington, D.C. metro area.

⁵ Claritas 2006-2011 estimates and projections for the Washington, D.C. MSA.

⁶ Census 2000 PUMS data for the Washington, D.C. PMSA.

⁷ Based upon "Who's Buying Homes in America" by Chicago Title, 1999. Information for Washington, D.C. Checked against total new home sales versus total resales.

⁸ Based upon RCLCO judgment assuming product was available.

NEWLAND COMMUNITIES

Appendix 1D

DEMAND FOR FOR-SALE HOUSING FROM HOUSEHOLDS 45 - 54 YEARS OF AGE PRIMARY MARKET AREA ¹ 2006 - 2011

	\$0	\$50,001	\$75,001	\$100,000	\$150,000	\$200,000	\$200,001	\$200,001	\$200,001	Average
HH Income	\$50,000	\$50,001	\$75,001	\$100,000	\$150,000	\$200,000	\$200,001	\$200,001	\$200,001	
Down Payment: ²	11.0%	16.5%	22.0%	22.0%	22.0%	27.5%	33.0%	33.0%	33.0%	22.0%
Interest Rate: ³	6.8%	6.8%	6.8%	6.8%	6.8%	7.0%	7.0%	7.0%	7.0%	6.9%
PMI/2nd Mortgage Higher Rate ³	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
Taxes/Fees ⁴	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Percent of Income Spent on Housing ²	37.4%	35.7%	34.9%	34.0%	34.0%	32.3%	25.5%	25.5%	25.5%	33.3%
Calculated Home Price	\$0	\$220,001	\$330,001	\$480,001	\$700,000	\$930,000	\$930,001	\$930,001	\$930,001	Total
	\$220,000	\$330,000	\$480,000	\$700,000	\$930,000	\$930,000	\$930,000	\$930,000	\$930,000	
Existing 45-54 Year Old Households ⁵	15,268	13,489	12,831	19,242	19,242	9,924	13,757	13,757	13,757	84,511
x % Owner Households ⁶	44%	75%	81%	86%	86%	92%	91%	91%	91%	77%
Owner Households	6,718	10,117	10,393	16,548	16,548	9,130	12,524	12,524	12,524	65,430
x Annual Turnover Rate ⁶	9%	9%	8%	7%	7%	6%	5%	5%	5%	7%
Existing Household Annual Turnover	606	892	852	1,087	1,087	553	574	574	574	4,563
x % Likely to Stay Owner ⁷	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100%
= Subtotal Estimated Annual Demand for Ownership	606	892	852	1,087	1,087	553	574	574	574	4,563
Renter Households ⁵	8,550	3,372	2,438	2,694	2,694	794	1,233	1,233	1,233	19,081
x Annual Turnover Rate ⁶	21%	22%	20%	21%	21%	38%	24%	24%	24%	22%
Existing Household Annual Turnover	1,819	754	487	572	572	300	291	291	291	4,223
x % Renters Become Owners ⁷	12.0%	20.0%	25.0%	33.0%	33.0%	45.0%	55.0%	55.0%	55.0%	23%
= Subtotal Estimated Annual Demand for Ownership	218	151	122	189	189	135	160	160	160	974
New 45-54 Year Old Households ⁵	142	125	119	179	179	92	128	128	128	784
x % Owner Households ⁶	44%	75%	81%	86%	86%	92%	91%	91%	91%	77%
= Subtotal Estimated Annual Demand for Ownership	62	94	96	154	154	85	116	116	116	607
Total Annual Demand for Ownership	887	1,137	1,070	1,429	1,429	772	850	850	850	6,145
x % Choose New ⁷	8%	17%	29%	32%	32%	25%	20%	20%	20%	22%
= Estimated Annual Demand for New Homes	73	193	310	457	457	193	170	170	170	1,397
x % Choose SFD ⁸	15%	35%	75%	80%	80%	90%	100%	100%	100%	73%
= Estimated Annual Demand for New SFD	11	68	233	366	366	174	170	170	170	1,021
x % Choose TH ⁸	60%	50%	15%	15%	15%	5%	0%	0%	0%	19%
= Estimated Annual Demand for New SFA	44	97	47	69	69	10	0	0	0	265
x % Choose Condo ⁸	25%	15%	10%	5%	5%	5%	0%	0%	0%	8%
= Estimated Annual Demand for New Condo	18	29	31	23	23	10	0	0	0	111

¹ Defined as Montgomery County.

² "Who's Buying Homes in America" by Chicago Title, 1999. Information for repeat homebuyers in Washington, D.C.

³ Bankrate.com, 5-31-06, regular = 6.2%, jumbo = 6.4%, expect it to increase.

⁴ Based upon websites for various counties in the Washington, D.C. metro area.

⁵ Claritas 2006-2011 estimates and projections for the Washington, D.C. MSA

⁶ Census 2000 PUMS data for the Washington, D.C. PMSA.

⁷ Based upon, "Who's Buying Homes in America" by Chicago Title, 1999. Information for Washington, D.C. Checked against total new home sales versus total resales.

⁸ Based upon RCLCO judgment assuming product was available.

Appendix 1E

DEMAND FOR FOR-SALE HOUSING FROM HOUSEHOLDS 35 - 44 YEARS OF AGE PRIMARY MARKET AREA¹ 2006 - 2011

	\$0	\$50,001	\$75,001	\$100,001	\$150,001	\$200,001	\$200,001	Average
	\$50,000	\$75,000	\$100,000	\$150,000	\$200,000	and above		
HH Income								
Down Payment: ²	9.4%	14.0%	18.7%	18.7%	23.4%	28.1%		18.7%
Interest Rate: ³	6.8%	6.8%	6.8%	6.8%	7.0%	7.0%		6.9%
PMI/2nd Mortgage Higher Rate ³	0.5%	0.5%	0.5%	0.5%	0.0%	0.0%		0.3%
Taxes/Fees ⁴	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%		1.0%
Percent of Income Spent on Housing ²	37.4%	35.7%	34.9%	34.0%	32.3%	25.5%		33.3%
Calculated Home Price								
	\$0	\$220,001	\$330,001	\$450,001	\$650,001	\$890,001		Total
	\$220,000	\$330,000	\$450,000	\$650,000	\$890,000	and above		
Existing 35-44 Year Old Households ⁵	17,644	14,839	12,906	17,023	6,911	8,059		77,382
x % Owner Households ⁶	33%	62%	75%	83%	90%	96%		68%
Owner Households	5,873	9,200	9,680	14,129	6,220	7,737		52,839
x Annual Turnover Rate ⁶	14%	12%	10%	13%	12%	13%		12%
Existing Household Annual Turnover	841	1,059	991	1,784	763	1,043		6,482
x % Likely to Stay Owner ⁷	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		100%
= Subtotal Estimated Annual Demand for Ownership	841	1,059	991	1,784	763	1,043		6,482
Renter Households ⁵	11,771	5,639	3,227	2,894	691	322		24,543
x Annual Turnover Rate ⁶	28%	28%	28%	25%	31%	28%		28%
Existing Household Annual Turnover	3,268	1,560	913	721	212	91		6,765
x % Renters Become Owners ⁷	12.0%	20.0%	25.0%	33.0%	45.0%	55.0%		19%
= Subtotal Estimated Annual Demand for Ownership	392	312	228	238	95	50		1,316
New 35-44 Year Old Households ⁵	0	0	0	0	0	0		0
x % Owner Households ⁶	33%	62%	75%	83%	90%	96%		0%
= Subtotal Estimated Annual Demand for Ownership	0	0	0	0	0	0		0
Total Annual Demand for Ownership	1,233	1,371	1,220	2,022	859	1,093		7,797
x % Choose New ⁷	8%	17%	29%	32%	25%	20%		22%
= Estimated Annual Demand for New Homes	102	233	354	647	215	219		1,769
x % Choose SFD ⁸	5%	20%	25%	50%	82%	100%		49%
= Estimated Annual Demand for New SFD	5	47	88	324	176	219		858
x % Choose TH ⁸	55%	50%	45%	30%	10%	0%		31%
= Estimated Annual Demand for New SFA	56	117	159	194	21	0		547
x % Choose Condo ⁸	40%	30%	30%	20%	8%	0%		21%
= Estimated Annual Demand for New Condo	41	70	106	129	17	0		363

¹ Defined as Montgomery County.

² "Who's Buying Homes in America" by Chicago Title, 1999. Information for repeat homebuyers in Washington, D.C.

³ Bankrate.com, 5-31-06, regular = 6.2%, jumbo = 6.4%, 84% expect it to increase.

⁴ Based upon websites for various counties in the Washington, D.C. metro area.

⁵ Claritas 2006-2011 estimates and projections for the Washington, D.C. MSA

⁶ Census 2000 PUMS data for the Washington, D.C. PMSA.

⁷ Based upon, "Who's Buying Homes in America" by Chicago Title, 1999. Information for Washington, D.C. Checked against total new home sales versus total resales.

⁸ Based upon RCLCO judgment assuming product was available.

NEWLAND COMMUNITIES

Appendix 1F

DEMAND FOR FOR-SALE HOUSING FROM HOUSEHOLDS 25 - 34 YEARS OF AGE PRIMARY MARKET AREA¹ 2006 - 2011

	\$0	\$50,000	\$75,000	\$100,000	\$150,000	\$200,000	Average
HH Income							
Down Payment: ²							
Interest Rate: ³	4.9%	7.3%	9.7%	9.7%	12.1%	14.6%	9.7%
PMI/2nd Mortgage Higher Rate ³	6.8%	6.8%	6.8%	6.8%	7.0%	7.0%	6.9%
Taxes/Fees ⁴	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Percent of Income Spent on Housing ²	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Calculated Home Price	38.5%	36.8%	35.9%	35.0%	33.3%	26.3%	34.3%
	\$0	\$220,000	\$320,000	\$430,000	\$620,000	\$800,000	Total
Existing 25-34 Year Old Households ⁵	15,067	11,227	8,115	8,630	2,289	1,849	47,177
x % Owner Households ⁶	25%	40%	50%	58%	69%	76%	43%
Owner Households	3,767	4,491	4,058	5,005	1,579	1,401	20,301
x Annual Turnover Rate ⁶	30%	21%	27%	24%	18%	22%	24%
Existing Household Annual Turnover	1,113	949	1,108	1,193	287	305	4,955
x % Likely to Stay Owner ⁷	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100%
= Subtotal Estimated Annual Demand for Ownership	1,113	949	1,108	1,193	287	305	4,955
Renter Households ⁵	11,300	6,736	4,058	3,625	710	448	26,876
x Annual Turnover Rate ⁶	40%	40%	36%	40%	39%	48%	40%
Existing Household Annual Turnover	4,521	2,701	1,475	1,459	275	214	10,645
x % Renters Become Owners ⁷	9.0%	17.0%	23.0%	32.0%	42.0%	50.0%	18%
= Subtotal Estimated Annual Demand for Ownership	407	459	339	467	116	107	1,894
New 25-34 Year Old Households ⁵	0	0	0	0	0	0	0
x % Owner Households ⁶	25%	40%	50%	58%	69%	76%	0%
= Subtotal Estimated Annual Demand for Ownership	0	0	0	0	0	0	0
Total Annual Demand for Ownership	1,520	1,408	1,447	1,659	402	412	6,849
x % Choose New ⁷	8%	17%	29%	32%	25%	20%	22%
= Estimated Annual Demand for New Homes	125	239	420	531	101	82	1,498
x % Choose SFD ⁸	5%	0%	5%	52%	87%	100%	32%
= Estimated Annual Demand for New SFD	6	0	21	276	87	82	473
x % Choose TH ⁸	10%	25%	50%	28%	10%	0%	29%
= Estimated Annual Demand for New SFA	13	60	210	149	10	0	441
x % Choose Condo ⁸	85%	75%	45%	20%	3%	0%	39%
= Estimated Annual Demand for New Condo	107	180	189	106	3	0	584

¹ Defined as Montgomery County.
² "Who's Buying Homes in America" by Chicago Title, 1999. Information for repeat homebuyers in Washington, D.C.
³ Bankrate.com, 5-31-06, regular = 6.2%, jumbo = 6.4%, 84% expect it to increase.
⁴ Based upon websites for various counties in the Washington, D.C. metro area.
⁵ Claritas 2006-2011 estimates and projections for the Washington, D.C. MSA
⁶ Census 2000 PUMS data for the Washington, D.C. PMSA.
⁷ Based upon, "Who's Buying Homes in America" by Chicago Title, 1999. Information for Washington, D.C. Checked against total new home sales versus total resales.
⁸ Based upon RCLCO judgment assuming product was available.

NEWLAND COMMUNITIES

Appendix 1G

DEMAND FOR FOR-SALE HOUSING FROM HOUSEHOLDS LESS THAN 25 YEARS OF AGE PRIMARY MARKET AREA ¹ 2006 - 2011

	\$0	\$50,001	\$75,001	\$100,001	\$150,001	\$200,001	\$200,001 and above	Average
HH Income	\$50,000	\$75,000	\$100,000	\$150,000	\$200,000	\$200,000	\$200,001 and above	
Down Payment: ²	4.9%	7.3%	9.7%	9.7%	12.1%	14.5%	14.5%	9.7%
Interest Rate: ³	6.8%	6.8%	6.8%	6.8%	7.0%	7.0%	7.0%	6.9%
PMI/2nd Mortgage Higher Rate ³	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Taxes/Fees ⁴	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Percent of Income Spent on Housing ²	38.5%	36.8%	35.9%	35.0%	33.3%	33.3%	26.3%	34.3%
Calculated Home Price	\$0	\$220,001	\$320,001	\$430,001	\$620,001	\$800,001	\$800,001 and above	Total
Existing <25 Year Old Households ⁵	6,220	2,351	1,052	738	153	114	114	10,628
x % Owner Households ⁶	8%	27%	35%	20%	35%	25%	25%	16%
Owner Households	498	635	368	149	54	29	29	1,732
x Annual Turnover Rate ⁶	48%	58%	42%	39%	29%	80%	80%	49%
Existing Household Annual Turnover	227	366	154	59	15	23	23	843
x % Likely to Stay Owner ⁷	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100%
= Subtotal Estimated Annual Demand for Ownership	227	366	154	59	15	23	23	843
Renter Households ⁵	5,722	1,716	684	589	99	86	86	8,896
x Annual Turnover Rate ⁶	93%	82%	73%	80%	70%	77%	77%	88%
Existing Household Annual Turnover	5,321	1,409	498	470	70	66	66	7,834
x % Renters Become Owners ⁷	9.0%	17.0%	22.0%	30.0%	40.0%	50.0%	50.0%	13%
= Subtotal Estimated Annual Demand for Ownership	479	240	110	141	28	33	33	1,030
New <25 Year Old Households ⁵	130	49	22	15	3	2	2	222
x % Owner Households ⁶	8%	27%	35%	20%	35%	25%	25%	16%
= Subtotal Estimated Annual Demand for Ownership	10	13	8	3	1	1	1	36
Total Annual Demand for Ownership	716	618	271	203	45	56	56	1,909
x % Choose New ⁷	8%	15%	27%	27%	20%	19%	19%	19%
= Estimated Annual Demand for New Homes	59	93	73	55	9	11	11	299
x % Choose SFD ⁸	5%	0%	5%	52%	87%	100%	100%	18%
= Estimated Annual Demand for New SFD	3	0	4	28	8	11	11	53
x % Choose TH ⁸	10%	25%	50%	28%	10%	0%	0%	27%
= Estimated Annual Demand for New SFA	6	23	37	15	1	0	0	82
x % Choose Condo ⁸	85%	75%	45%	20%	3%	0%	0%	55%
= Estimated Annual Demand for New Condo	50	70	33	11	0	0	0	164

¹ Defined as Montgomery County.

² "Who's Buying Homes in America" by Chicago Title, 1999. Information for repeat homebuyers in Washington, D.C.

³ Bankrate.com, 5-31-06, regular = 6.2%, jumbo = 6.4%, 84% expect it to increase.

⁴ Based upon websites for various counties in the Washington, D.C. metro area.

⁵ Claritas 2006-2011 estimates and projections for the Washington, D.C. MSA

⁶ Census 2000 PUMS data for the Washington, D.C. PMSA.

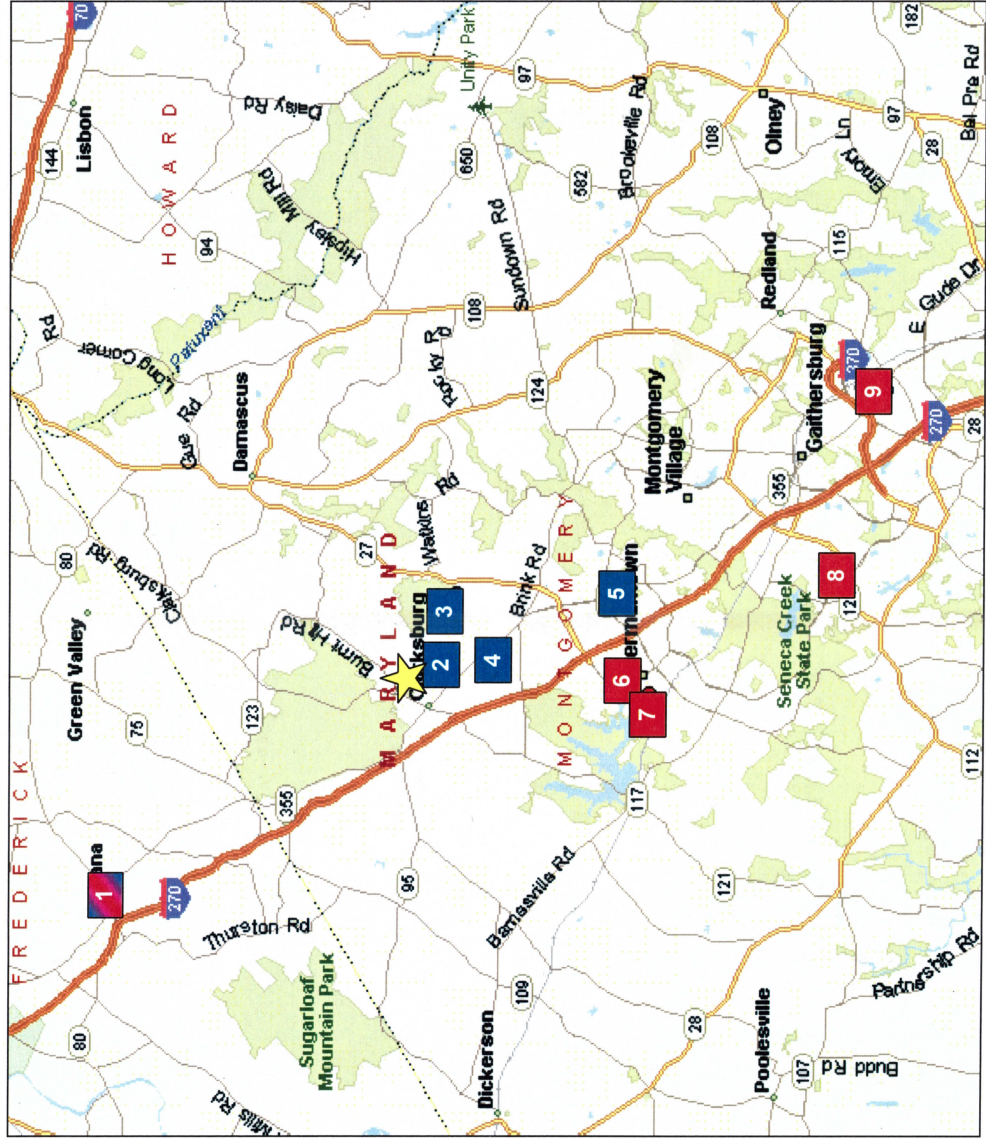
⁷ Based upon, "Who's Buying Homes in America" by Chicago Title, 1999. Information for Washington, D.C. Checked against total new home sales versus total resales.

⁸ Based upon RCLCO judgment assuming product was available.

NEWLAND COMMUNITIES

Appendix 2A

MAP OF SELECT ACTIVELY SELLING COMMUNITIES MONTGOMERY & FREDERICK COUNTIES, MD FEBRUARY 2007



MAP ID	COMMUNITY NAME
1	Villages of Urbana
2	Clarksburg Village
3	Arora Hills
4	Meadows at Hurley Ridge
5	Orchard Run
6	Buckingham Station
7	Ashmore at Germantown
8	Colonnade at Kentlands
9	Royalton at King Farm



Clarksburg Town Center

- Townhome
- Condominium
- Both Townhome & Condominium

NEWLAND COMMUNITIES

Appendix 2B SUMMARY OF SELECT ACTIVELY SELLING COMMUNITIES MONTGOMERY & FREDERICK COUNTIES, MD FEBRUARY 2007

PROJECT DEVELOPER BUILDER	SALES BEGAN	PRODUCT TYPE	UNIT TYPE	% OF MIX	WIDTH	SIZE RANGE	PRICE RANGE	VALUE RATIO \$/SF	BASEMENT	PARKING	UNITS SOLD	UNITS LEFT	AVG. ANN. ABS.
ARORA HILLS Artery Group K. Hovnanian	Oct-06	3 level TH	3B/2.5b	100%	24 x 40	2,475 - 2,475	\$449,990 - \$449,990	\$182 - \$182	Unfinished	Detached 2-car	5	48	17
												5	
ARORA HILLS Artery Group Beazer	Dec-06	3 level TH	3B/2.5b	100%	20 x 36	1,640 - 1,640	\$389,990 - \$389,990	\$238 - \$238	Unfinished	Rear 2-car	12	38	72
												12	
ASHMORE AT GERMANTOWN Fairfield Residential	Sep-05	Condo	1B/1b	NA	NA x NA	631 - 886	\$199,000 - \$269,000	\$315 - \$304	None	Lot	279	141	219
			1B/1b Den	NA	NA x NA	955 - 955	\$289,900 - \$289,900	\$304 - \$304	None	Lot	78		
			2B/2b	NA	NA x NA	1,020 - 1,192	\$299,000 - \$339,000	\$283 - \$284	None	Lot	92		
			3B/2b	NA	NA x NA	1,307 - 1,388	\$349,000 - \$369,000	\$287 - \$266	None	Lot	31		
BUCKINGHAM STATION Centex Homes	Dec-05	2/2 Condo Bottom	2B/2.5b	25%	22 x 41	1,246 - 1,246	\$355,990 - \$355,990	\$286 - \$286	None	Attached 1-car	35	165	32
			3B/2.5b	25%	22 x 41	1,336 - 1,336	\$370,990 - \$370,990	\$278 - \$278	None	Attached 1-car	8		
			3B/2.5b	25%	22 x 41	1,730 - 1,730	\$395,990 - \$395,990	\$229 - \$229	None	Attached 1-car	8		
			3B/2.5b	25%	22 x 41	1,783 - 1,783	\$409,990 - \$409,990	\$230 - \$230	None	Attached 1-car	5		
CLARKSBURG VILLAGE Elm Street Development Greentree Homes	Oct-04	3 level TH	3B/3.5b	100%	20 x 42	2,600 - 2,600	\$491,000 - \$492,000	\$189 - \$189	Finished	Detached 2-car	36	40	16
												36	
CLARKSBURG VILLAGE Elm Street Development Craftstar	Aug-04	3 level TH	3B/2.5b	58%	20 x 33	2,280 - 2,280	\$399,900 - \$399,900	\$175 - \$175	Finished	Assigned 2-car	79	15	33
			3B/2.5b	42%	20 x 35	2,700 - 2,700	\$459,900 - \$459,900	\$170 - \$170	Finished	Detached 2-car	NA		

NEWLAND COMMUNITIES

Appendix 2B

SUMMARY OF SELECT ACTIVELY SELLING COMMUNITIES MONTGOMERY & FREDERICK COUNTIES, MD FEBRUARY 2007

PROJECT DEVELOPER BUILDER	PRODUCT/ PREMIUM TYPES	PREMIUM PRICING	ANNUAL HOA	PURCHASE MOTIVATIONS/ FASTEST SELLING	TARGET MARKETS			GEOGRAPHIC ORIGIN			AMENITIES							NOTES
					SING/ COUP	FAM.	ENI/ RET	MONT- GOMERY COUNTY	OTHER	LIBRARY	SCHOOL	FITNESS	CLUBHOUSE	RETAIL	TRAILS	PARK SPACE	SWIM/ TENNIS	
ARORA HILLS Artery Group K. Hovnanian	End unit	\$10,000	\$1,440 Includes TV & Internet	Combination of price and proximity to I-270.	65%	20%	15%	80%	20% Frederick	X	X	X	X	X	X	X	X	Majority of buyers are young couples who commute within Montgomery County. Most were renters prior to buying or lived in condos. June move-in, offering \$8,000 in closing costs and \$5,000 in options. Only one phase of K. Hoy THs. Arora Hills is currently selling Phase 3 of 5.
ARORA HILLS Artery Group Beazer	End unit	\$10,000	\$1,440	NA	55%	35%	10%	80%	20% Frederick	X	X	X	X	X	X	X	X	Beazer is planning a total of 205 townhomes of which 67 have sold to date with an average annual sales pace of 28 units. Builder incentive of \$10,000 towards closing costs.
ASHMORE AT GERMANTOWN Fairfield Residential	1-car garage	\$20,000	\$3,780	1B dens are selling the fastest.	80%	15%	5%	60%	40% DC Metro				X	X	X	X	X	Conversion of a brand new apartment complex. Difficult access; surface parking except for a few select garage spaces. Builder incentive of \$5,000 towards closing costs.
BUCKINGHAM STATION Centex Homes	View End unit premiums included in price.	\$5,000	\$3,876	After price, buyers are attracted by the I-270 location. Least expensive, 2B/2.5b model is selling the best.	70%	10%	20%	90%	10% Frederick Relocations									Most buyers are first-time buyers or move-up from older THs or condos; singles and young couples from local area and Gaithersburg. Builder incentive of \$10,000 towards closing costs.
CLARKSBURG VILLAGE Elm Street Development Greentree Homes	Pricing includes for premiums	NA	\$1,752	Sales were primarily to investors in 2004 and 2005. Owner occupiers would have preferred to purchase SFDs but chose TH because of affordability.	40%	50%	10%	90%	10% NA	X	X	X	X	X	X	X	X	Majority of buyers are from Germantown and Gaithersburg. Standard features include granite, recessed lighting, crown molding, and fireplace. Just started sales on current phase.
CLARKSBURG VILLAGE Elm Street Development CraftStar	End unit	\$25,000	\$1,764	Buyers are attracted by schools and are first time buyers from Rockville, Silver Spring, and DC who commute to Bethesda and DC. Large units selling best.	40%	50%	10%	80%	20% Frederick	X	X	X	X	X	X	X	X	February incentives include \$6,000 towards options free 4ft extension on all 3 levels, and \$10,000 towards closing costs with preferred lender. Sold ten units in last three months.

NEWLAND COMMUNITIES

Appendix 2B

SUMMARY OF SELECT ACTIVELY SELLING COMMUNITIES MONTGOMERY & FREDERICK COUNTIES, MD FEBRUARY 2007

PROJECT DEVELOPER BUILDER	SALES BEGAN	PRODUCT TYPE	UNIT TYPE	% OF MIX	WIDTH	SIZE RANGE	PRICE RANGE	VALUE RATIO \$/SF	BASEMENT	PARKING	UNITS SOLD	UNITS LEFT	AVG. ANN. ABS.
COLONNADE AT KENTLANDS													
EL-AD Group	Aug-05	Condo	1B/1b	307	NA x NA	772 - 772	\$305,100 - \$305,100	\$395 - \$395	None	Structured 1-car	177	130	131
		Condo	1B/1b Loft	16%	NA x NA	989 - 989	\$375,100 - \$375,100	\$379 - \$379	None	Structured 1-car	29	21	
		Condo	2B/2b	13%	NA x NA	1,191 - 1,455	\$432,100 - \$439,100	\$363 - \$302	None	Structured 1-car	51	13	
		Condo	2B/2b Loft	25%	NA x NA	1,418 - 1,418	\$451,100 - \$451,100	\$318 - \$318	None	Structured 1-car	13	26	
		Condo	2B/2.5b	10%	NA x NA	1,321 - 1,321	\$434,100 - \$434,100	\$329 - \$329	None	Structured 1-car	23	14	
		Condo	3B/2b	14%	NA x NA	1,483 - 1,483	\$494,100 - \$494,100	\$331 - \$331	None	Structured 2-car	23	14	
		Condo	3B/3.5b	12%	NA x NA	1,483 - 1,483	\$494,100 - \$494,100	\$331 - \$331	None	Structured 2-car	23	14	
		Condo	3B/3.5b	10%	NA x NA	1,881 - 1,881	\$525,100 - \$525,100	\$279 - \$279	None	Structured 2-car	14		
THE MEADOWS AT HURLEY RIDGE													
Toll Brothers	Nov-03	3 level TH	3B/2.5b	219	22 x 34	2,119 - 2,119	\$541,975 - \$541,975	\$256 - \$256	Finished	Rear 2-car	99	120	32
		3 level TH	3B/2.5b	40%	24 x 39	2,203 - 2,203	\$542,975 - \$542,975	\$246 - \$246	Finished	Rear 2-car	NA	NA	NA
		3 level TH	3B/2.5b	20%	24 x 32	2,439 - 2,439	\$586,975 - \$586,975	\$241 - \$241	Finished	Rear 2-car	NA	NA	NA
ORCHARD RUN													
Pleasants Companies	Feb-06	3 level TH	3B/2.5b	45	22 x 42	2,355 - 2,842	\$448,990 - \$474,990	\$191 - \$167	Optional	Front 2-car	42	3	46
Lennar		3 level TH	3B/2.5b	53%	24 x 42	2,473 - 2,993	\$459,990 - \$464,990	\$186 - \$162	Optional	Front 2-car	19	23	
ROYALTON AT KING FARM													
Monaco Development	Jun-06	Condo (Garden)	1B/1b	317	NA x NA	682 - 682	\$277,900 - \$277,900	\$407 - \$407	None	Lot	151	166	95
		Condo (Garden)	1B/1b Loft	10%	NA x NA	812 - 812	\$390,000 - \$390,000	\$480 - \$480	None	Lot	10	7	
		Condo (Garden)	2B/1b	10%	NA x NA	1,013 - 1,033	\$369,900 - \$376,900	\$365 - \$365	None	Lot	8	8	
		Condo (Garden)	2B/2b	10%	NA x NA	1,149 - 1,149	\$427,900 - \$427,900	\$372 - \$372	None	Lot	10	10	
		Condo (Garden)	2B/2b Loft	10%	NA x NA	1,183 - 1,192	\$469,900 - \$556,900	\$423 - \$450	None	Lot	27	27	
		Condo (Manor)	1B/1b	3%	NA x NA	792 - 792	\$354,200 - \$354,200	\$447 - \$447	None	Street	9	9	
		Condo (Manor)	2B/1b	3%	NA x NA	1,177 - 1,177	\$440,900 - \$440,900	\$375 - \$375	None	Street	9*	9*	
		Condo (Manor)	2B/2b	3%	NA x NA	1,048 - 1,048	\$369,900 - \$369,900	\$353 - \$353	None	Street	9*	9*	
		Condo (Manor)	3B/2b	3%	19 x 35	1,292 - 1,292	\$462,900 - \$462,900	\$358 - \$358	None	Street	9	9	
		3 level TH (Townhome)	2B/2b	3%	19 x 35	1,426 - 1,426	\$525,900 - \$525,900	\$369 - \$369	None	Rear 2-car	3	7	
		2 level TH (Townhome)	2B/2.5b	3%	21 x 35	1,552 - 1,552	\$466,900 - \$586,900	\$378 - \$378	None	Rear 2-car	7	7	
		3 level TH (Charleston)	3B/2b	9%	21 x 33	1,178 - 1,178	\$462,900 - \$462,900	\$393 - \$393	None	Attached 1-car	9	9	
		3 level TH (Charleston)	3B/2b	9%	14 x 32	1,280 - 1,280	\$480,900 - \$480,900	\$376 - \$376	None	Attached 1-car	17	17	
		3 level TH (Charleston)	3B/2b	9%	21 x 33	1,633 - 1,633	\$534,900 - \$534,900	\$328 - \$328	None	Attached 1-car	7	7	
		3 level TH (Charleston)	2B/2b	9%	14 x 32	1,090 - 1,090	\$399,900 - \$399,900	\$367 - \$367	None	Attached 1-car	10	10	

*Unit sales assumed based on performance of similar model

NEWLAND COMMUNITIES

Appendix 2B

SUMMARY OF SELECT ACTIVELY SELLING COMMUNITIES MONTGOMERY & FREDERICK COUNTIES, MD FEBRUARY 2007

PROJECT DEVELOPER BUILDER	PRODUCT/ PREMIUM TYPES	PREMIUM PRICING	ANNUAL HOA	PURCHASE MOTIVATIONS/ FASTEST SELLING	TARGET MARKETS				GEOGRAPHIC ORIGIN				AMENITIES							NOTES
					SING/ COUP	FAM.	ENV/ RET	MONT- GOMERY COUNTY	OTHER	LIBRARY	SCHOOL	FITNESS	CLUBHOUSE	RETAIL	TRAILS	PARK SPACE	SWIM/ TENNIS			
COLONNADE AT KENTLANDS EL-AD Group	Rooftop parking Covered parking	\$5,000 \$10,000	\$4,615	1B/1b units are selling best. Buyers are attracted by being apart of the Kentlands MPC as well as by the close-in location.	65%	15%	20%	70%	30% Metro area Out-of-state	X	X	X	X	X	X	X	X	X	Conversion of apartment complex. Building has a wine tasting room, pub, theater room, courtyard, and cyber café, and ground floor retail space. Incentive of \$5,000 towards closing costs.	
THE MEADOWS AT HURLEY RIDGE Toll Brothers	Wooded lot	\$10,000	\$1,320	Smaller units selling best. Buyers like the secluded, wooded feel of the community as well as its convenience to Milestone Mall and the high-school.	25%	65%	10%	NA	NA NA	X					X			\$10,000 closing assistance on select homes. Empty nesters prefer end-unit homes while move-ups & families prefer interior units.		
ORCHARD RUN Pleasant Companies Lennar	End unit	\$12,000	\$1,452	Larger units are selling best. Most buyers prefer a finished basement. Schools are a large draw.	20%	65%	15%	75%	25% NA					X	X			Majority of interest from entry-level and move-up buyers as well as young families. Unlike other communities, sales have increased each quarter since sales began.		
ROYAL TON AT KING FARM Monaco Development	NA	NA	\$2,655	Larger units are selling best across all product types. Product types are designed to target different market segments with the townhomes geared towards move-down, empty nesters and the condos aimed at move-up couples.	40%	25%	35%	70%	30% Transfers	X	X	X	X	X	X	X	X	One block from King Farm Village Center and near Shady Grove metro. A mix of condominiums and townhomes in four different product offerings: 152 "Garden" condos, 36 "Manor" condos, 20 "Townhome" townhomes, and 109 "Charleston" townhomes. Incentive of \$8,000 - \$12,000 towards closing costs depending on unit type.		

*Unit sales assumed based on performance of similar model

NEWLAND COMMUNITIES

Appendix 2B

SUMMARY OF SELECT ACTIVELY SELLING COMMUNITIES MONTGOMERY & FREDERICK COUNTIES, MD FEBRUARY 2007

PROJECT DEVELOPER BUILDER	SALES BEGAN	PRODUCT TYPE	UNIT TYPE	% OF MIX	WIDTH	SIZE RANGE	PRICE RANGE	VALUE RATIO \$/SF	BASEMENT	PARKING	UNITS SOLD	UNITS LEFT	AVG. ANN. ABS.
VILLAGES OF URBANA Natelli Communities Main Street Homes	Jul-04	4 level TH	3B/2.5.5b	50	22 x 40	2,800 - 2,800	\$499,900 - \$499,900	\$179 - \$179	Finished	Detached 2-car	48	2	10
		3 level TH	3B/2.5b	NA	NA x NA	2,300 - 2,300	\$389,900 - \$389,900	\$170 - \$170	Finished	Rear 2-car	NA	NA	
				NA									
VILLAGES OF URBANA Natelli Communities NV Homes	Oct-03	3 level TH	3B/2.5b	120	20 x 38	2,000 - 2,700	\$359,990 - \$416,362	\$180 - \$154	Finished	Rear 2-car	94	26	31
				100%							94		
VILLAGES OF URBANA Natelli Communities Ryan Homes	Nov-05	2/2 Condo Bottom	3B/2.5b	300	24 x 50	1,650 - 1,650	\$319,990 - \$319,990	\$194 - \$194	None	Attached 1-car	57	243	55
		2/2 Condo Top	3B/2.5b	50%	24 x 50	2,500 - 2,500	\$354,990 - \$354,990	\$142 - \$142	None	Attached 1-car	NA	NA	
				50%									
VILLAGES OF URBANA Natelli Communities Ryan Homes	May-06	3 level TH	3B/2.5b	65	24 x 38	2,480 - 2,600	\$379,990 - \$405,990	\$153 - \$156	Finished walkout	Street	11	60	15
				100%							11		
CLARKSBURG TOWN CENTER Newland Communities Bozzuto	Oct-04	Condo MPDU	2B/1b	120	NA x NA	896 - 896	\$108,660 - \$108,660	\$121 - \$121	None	Street	32	88	16
		Condo	2B/2b	17%	NA x NA	1,147 - 1,245	\$273,400 - \$296,450	\$238 - \$238	None	Street	2	6	
		Condo	2B/2b Den	50%	NA x NA	1,316 - 1,316	\$311,900 - \$312,900	\$237 - \$238	None	Street	12	12	
		Condo	2B/2b Loft	25%	NA x NA	1,053 - 1,053	\$289,900 - \$289,900	\$275 - \$275	None	Street	12	12	
				8%									

NEWLAND COMMUNITIES

Appendix 2B

SUMMARY OF SELECT ACTIVELY SELLING COMMUNITIES MONTGOMERY & FREDERICK COUNTIES, MD FEBRUARY 2007

PROJECT DEVELOPER BUILDER	PRODUCT/ PREMIUM TYPES	PREMIUM PRICING	ANNUAL HOA	PURCHASE MOTIVATIONS/ FASTEST SELLING	SING/ COUP	TARGET MARKETS			GEOGRAPHIC ORIGIN			AMENITIES										NOTES
						FAM.	EVI/ RET	MONT- GOMERY COUNTY	OTHER	LIBRARY	SCHOOL	FITNESS	CLUBHOUSE	RETAIL	TRAILS	PARK SPACE	SWM/ TENNIS					
VILLAGES OF URBANA Natelli Communities Main Street Homes	End unit	\$17,000 - \$33,000	\$600	Buyers motivated by quality and unique floorplans. Majority of buyers are through referrals.	NA	NA	NA	75%	25% Not Frederick Out-of-state	X	X	X	X	X	X	X	X	X	X	Sold all 12 live/work units in two weeks - retail/commercial on 1st flr, office on 2nd, and res on 3rd. Purchasers of live/work units were investors who also bought in Keritlands. Live/work units were purchased outright and have nothing to do with condo association.		
VILLAGES OF URBANA Natelli Communities NV Homes	End unit premiums included in price	NA	\$924	Price and schools are the primary attractants.	30%	60%	10%	80%	20% Frederick Out-of-state	X	X	X	X	X	X	X	X	X	X	Units are very close to town center. Current sales phase began in late October 2006 and have had seven sales since then.		
VILLAGES OF URBANA Natelli Communities Ryan Homes	End unit	\$10,000	\$2,808	Upper and lower units selling equally well. Sales have been helped by 7 day a week staffing and strong marketing. Affordability is the primary purchase motivation.	40%	20%	40%	70%	30% Frederick	X	X	X	X	X	X	X	X	X	X	Buyers consider the community an extension of Montgomery County. Dropped prices from \$350k-\$380k.		
VILLAGES OF URBANA Natelli Communities Ryan Homes	NA	NA	NA	Proximity to I-270 is the major draw. Majority of buyers work in Montgomery Co. or DC - this is the furthest buyers are willing to commute.	40%	55%	5%	85%	15% NA	X	X	X	X	X	X	X	X	X	X	Most buyers are from Gaithersburg and Germantown.		
CLARKSBURG TOWN CENTER Newland Communities Bozzuto	Garage Parking	\$20,000	\$3,000	2B/2b Den most popular. One bidig has an underground garage w/ all spaces sold. Buyers drawn by wide sts, lack of congestion, & no maintenance lifestyle.	35%	35%	30%	80%	20% Virginia DC Frederick	X	X	X	X	X	X	X	X	X	X	Sales halted in 2005 and restarted in July 2006. Absorption based on sales from July 2006-December 2006. Four 3-story, walk-up buildings. Dropped prices an average of \$50,000 in 2007.		

NEWLAND COMMUNITIES

Appendix 3

RELEVANT LIVE-WORK UNIT COMPARABLES NORTHERN VIRGINIA AND MONTGOMERY COUNTY, MD FEBRUARY 2007



Live-work townhomes by Parkwood Homes

COMMUNITY INFORMATION

Community Address: Villages of Urbana, MD-355 & MD-80, Urbana, MD 21704, 301-831-7743
County: Frederick County, MD

Developer/Builder: Natelli Communities Parkwood Homes
Open Date: 2006
Total Units: 12*
Units Sold to Date: 12
Monthly Absorption: 24

COMMENTS

The live/work units are 24x36 with 3 above ground levels and an unfinished basement. The ground floor is retail, the second level consists of three office suites with a reception area, and the third floor can either be a duplicate of the second floor or a 1B/1b apartment/condo. The units are double fronted with 2-assigned parking spaces in the "back" (or residential side) of the building.

Neighborhood	Product Type	Date Open	Sold/Planned	Pace (#/month)	Base Product Price Range	Product Size Range	Base Product Price Range	Resale Price Range	Avg. Price	Avg. \$/SF
Villages of Urbana	Live-work Townhomes	2006	12/12	24	\$775,000 - \$825,000	2,052 - 2,052	\$378 - \$402	N/A	\$800,000	\$390

DESCRIPTION: The twelve live/work units are located across the street from the 130,000 SF grocery-anchored, retail centered. The twelve units sold in two weeks primarily to investors - many of the same investors who purchased in the Kentlands. An unknown number of live/work units are planned for next year. Product size is for heated SF on 3 levels and thus does not include the unfinished basement.



Live-work townhomes by Mitchell-Best

COMMUNITY INFORMATION

Community Address: Kentlands, Kentlands Market Square, Pleasant Drive, Gaithersburg, MA 20878, Montgomery County, MD
County: Montgomery County, MD

Developer/Builder: Mitchell-Best/Parkwood
Open Date: Jun-02
Total Units: 34
Units Sold to Date: 34
Monthly Absorption: 17.0

COMMENTS

The project was built by two builders/developers; Mitchell-Best (the odd number units) and Parkwood Homes. The units are either 3-4 above ground floors, and all include basements. The living area is typically 1-2 floors, depending on the builder and end user preference.

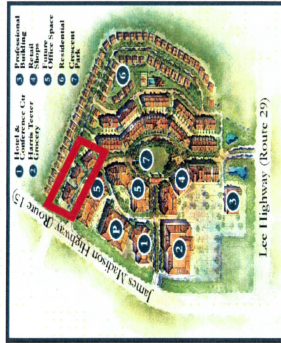
Neighborhood	Product Type	Date Open	Sold/Planned	Pace (#/month)	Base Product Price Range	Product Size Range	Base Product Price Range	Resale Price Range	Avg. Price	Avg. Resale \$/SF
Kentlands	Live-work Townhomes	Jun-02	34/34	17	\$300,000 - \$400,000	3,500 - 4,200	\$86 - \$95	\$1,100,000 - \$1,900,000	\$1,500,000	\$390

DESCRIPTION: The majority of the units were originally purchased by investors. Most owners have rented both the residential and retail space to various tenants. The commercial space is being used by a variety of tenants, including national insurance companies, and a number of local businesses. Some of the original investors are living in the units and renting the additional retail space. There have been few resales to date, with the latest unit being offered at \$1.9 million.

NEWLAND COMMUNITIES

Appendix 3

RELEVANT LIVE-WORK UNIT COMPARABLES NORTHERN VIRGINIA AND MONTGOMERY COUNTY, MD FEBRUARY 2007



COMMUNITY INFORMATION

Community Address: Madison Crescent, Route 15 and 29, Gainesville, VA 20155, (703) 821-8500, Prince William County, VA

County: Prince William County, VA

Developer: RMJ Development, Miller & Smith, Planned Spring 2007

Builder: RMJ Development, Miller & Smith, Planned Spring 2007

Open Date: 12

Total Units: 0

Units Sold to Date: N/A

Monthly Absorption: N/A

COMMENTS

12 units are divided amongst three pads with four attached units per pad. They will have dual fronts with the ground floor retail space facing the main road and the residential on the opposing side facing small lot singles. The units are likely to be 4 stories on slab with integral garages on the residential side and parallel street parking on the retail side.

DESCRIPTION: The community of Madison Crescent will cover 43 acres at the intersection of Routes 15 and 29. The project will contain 242,000 SF of office space, a 16,000 SF hotel with 120 rooms and a conference center, 124,000 SF of retail space anchored by a 52,000 Harris Teeter, 144 residential townhomes, 60 single family homes, and eventually 12 live work units. A portion of the office space is completed and is being rented, the retail space is set to open July 2007 and residential sales will begin Spring 2007.



Live-work townhomes by Arlston

COMMUNITY INFORMATION

Community Address: County Center, Prince William Parkway, Woodbridge, VA 22192, (703) 670-1980, Prince William County, VA

County: Prince William County, VA

Developer: KSI, Arlston Group, Oct-04

Builder: KSI, Arlston Group, Oct-04

Open Date: 14

Total Units: 14

Units Sold to Date: 7.0

Monthly Absorption: 7.0

COMMENTS

Units have two car, attached, rear load garages seated below an outdoor deck. 3 level with optional loft: first floor is retail space with levels two-three residential. Residential units are 3B/2.5b with an option for a second half bath with the loft. 9' ceilings in floors two-three, 8' ceilings in the ground floor.

Neighborhood	Product Type	Date Open	Sold/Planned	Pace (#/month)	Base Product Price Range	Product Size Range	Base Product Price Range	Resale Price Range	Avg. Price	Avg. Size	Avg. \$/SF
County Center	Live-Work Townhomes	Oct-04	14 / 14	7	\$539,990 - \$599,990	3,300 - 3,300	\$164 - \$182	N/A	\$569,990	3,300	\$173

DESCRIPTION: Units include 700 SF of retail space. Builder reports 100+ names on initial waiting list. Commercial space uses include a nail salon, insurance offices, and a drop off dry cleaner. The majority of buyers are investors. Buyer responsible for securing business license from county. Builder reports that some buyers have had difficulty doing so. There have been no resales thus far.

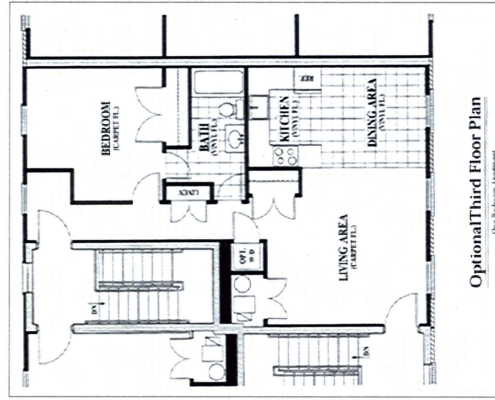
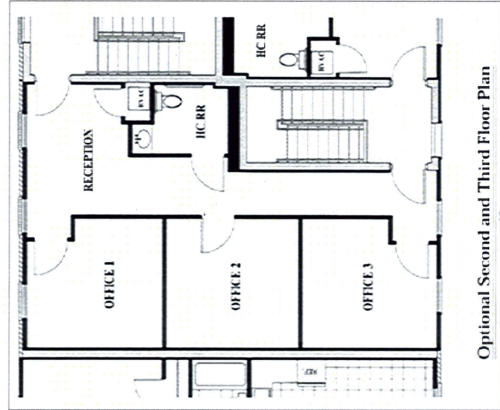
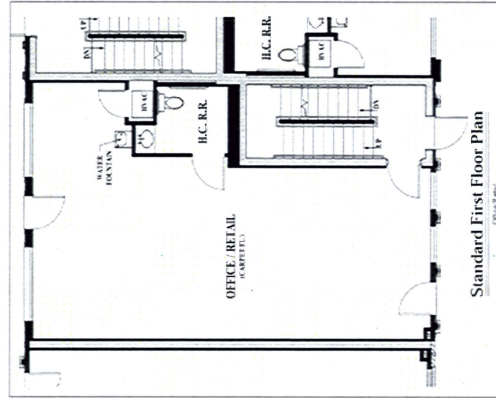
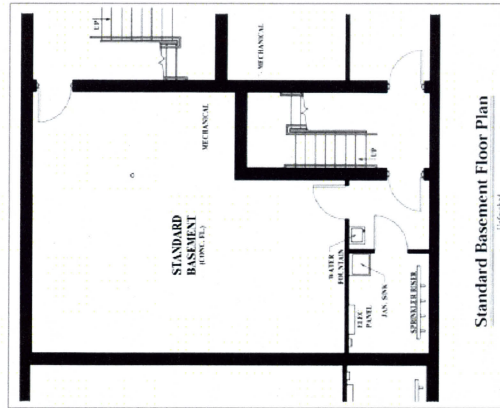
NEWLAND COMMUNITIES

Appendix 3

RELEVANT LIVE-WORK UNIT COMPARABLES NORTHERN VIRGINIA AND MONTGOMERY COUNTY, MD FEBRUARY 2007

EXAMPLE FLOOR PLANS

LIVE WORK UNITS BY PARKWOOD HOMES



NEWLAND COMMUNITIES

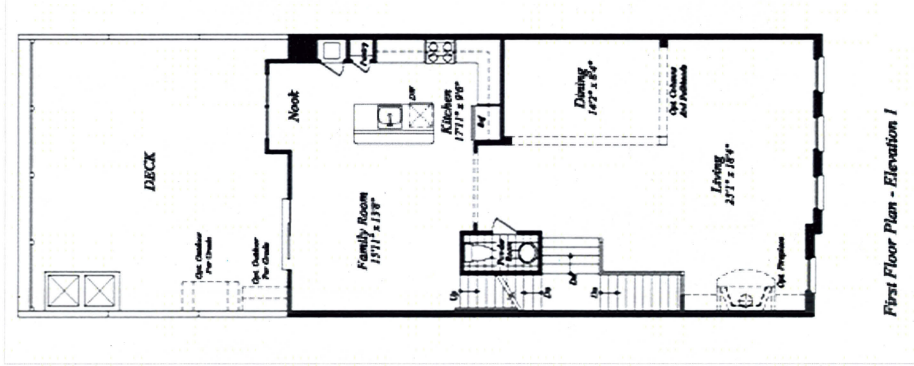
Appendix 3

RELEVANT LIVE-WORK UNIT COMPARABLES NORTHERN VIRGINIA AND MONTGOMERY COUNTY, MD FEBRUARY 2007

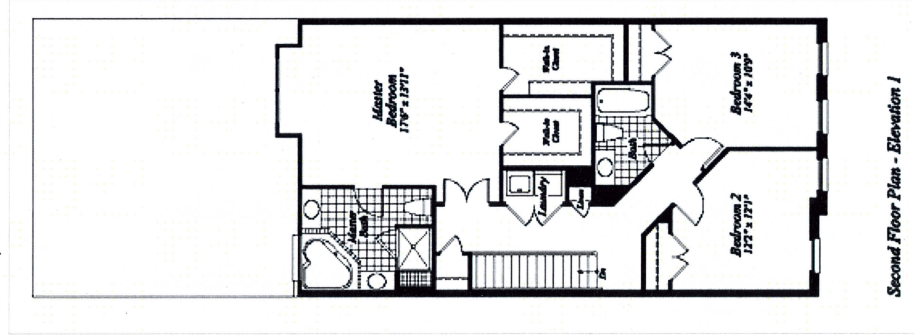
EXAMPLE FLOOR PLANS

LIVE WORK UNITS BY AIRSTON HOMES

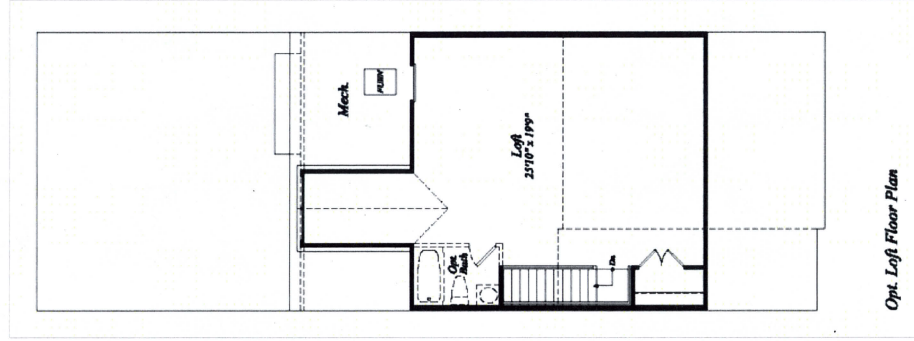
Ground Floor Image Not Available



First Floor Plan - Elevation 1



Second Floor Plan - Elevation 1



Opt. Loft Floor Plan

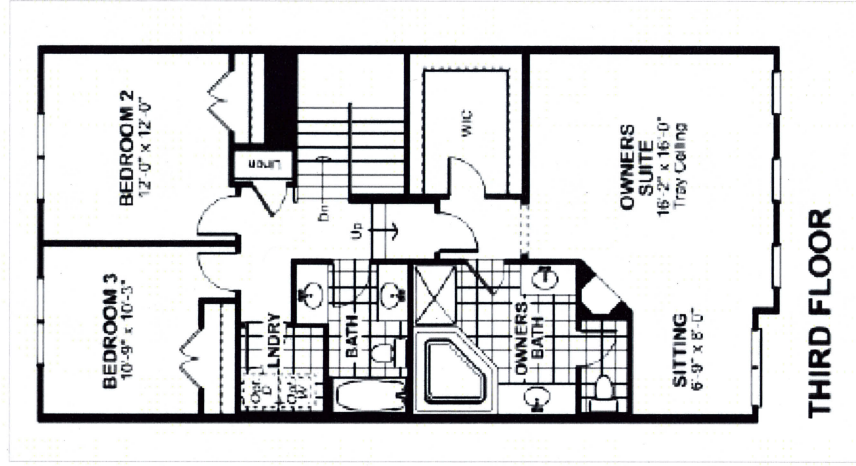
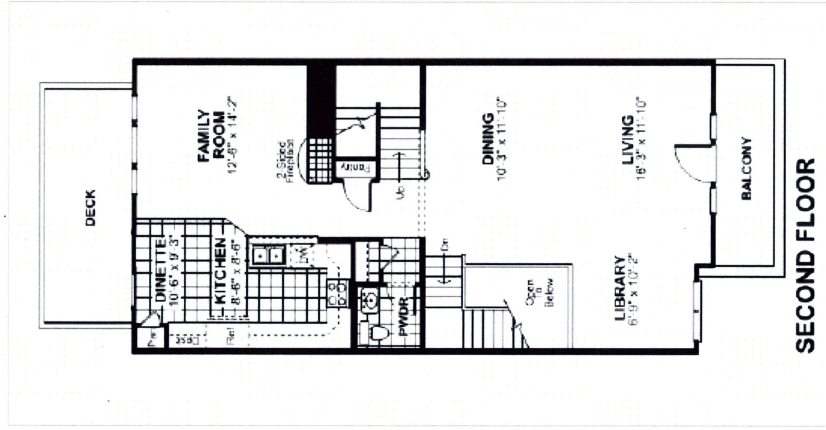
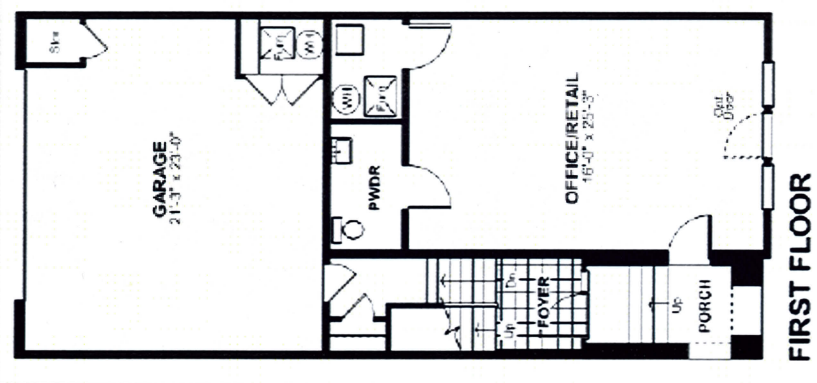
NEWLAND COMMUNITIES

Appendix 3

RELEVANT LIVE-WORK UNIT COMPARABLES NORTHERN VIRGINIA AND MONTGOMERY COUNTY, MD FEBRUARY 2007

EXAMPLE FLOOR PLANS

LIVE WORK UNITS BY RYLAND HOMES



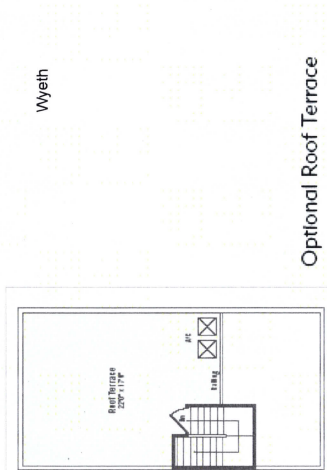
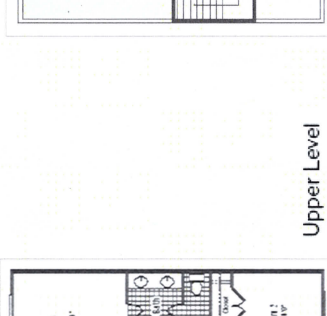
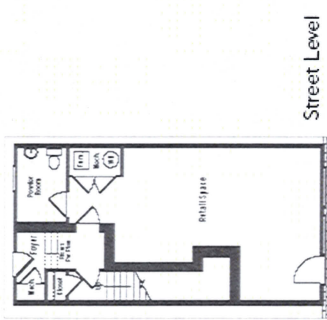
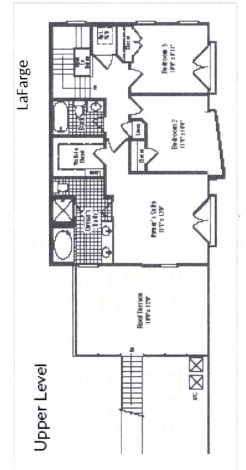
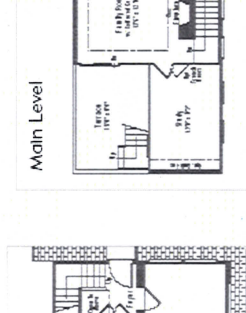
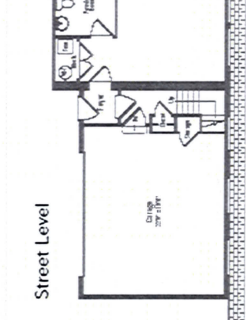
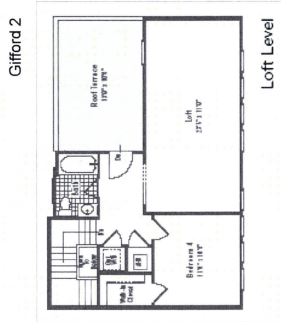
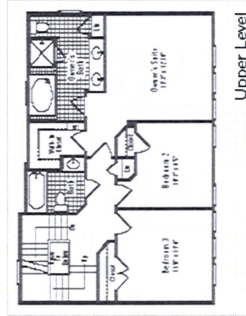
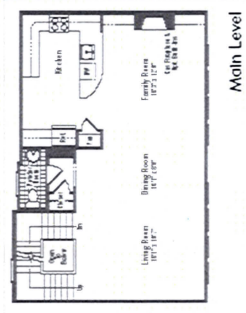
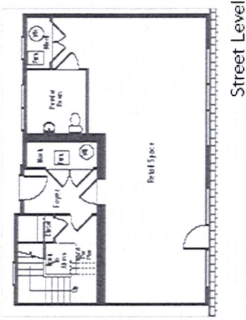
NEWLAND COMMUNITIES

Appendix 3

RELEVANT LIVE-WORK UNIT COMPARABLES NORTHERN VIRGINIA AND MONTGOMERY COUNTY, MD FEBRUARY 2007

EXAMPLE FLOOR PLANS

LIVE WORK UNITS BY EYA



NEWLAND COMMUNITIES

Appendix 4

COMPARABLE RENTAL APARTMENT COMMUNITIES I-270 CORRIDOR, MONTGOMERY COUNTY, MD FEBRUARY 2007



NEWLAND COMMUNITIES

Appendix 5A

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 3: CONDOMINIUMS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	2007 YEAR 0	2008 YEAR 1	2009 YEAR 2	2010 YEAR 3	2011 YEAR 4	2012 YEAR 5
CONSTRAINTS/ASSUMPTIONS						
Price Escalation	3.5%	3.5%	7.1%	10.9%	14.8%	18.8%
Annual Cost Escalation	3.0%	3.0%	6.1%	9.3%	12.6%	15.9%
UNIT ABSORPTION (END USER SALES)						
Product Type	Total					
	Units					
Tower Homes	0	0	0	0	0	0
Live/Work Courtyard w/Garage	0	0	0	0	0	0
Live/Work w/ Garage (24' or 22')	0	0	0	0	0	0
Live/Work w/o Garage (24' or 22')	10	5	5	0	0	0
Liner Townhomes (24'X30')	8	8	0	0	0	0
Townhome Integral Garage (22'x40')	0	0	0	0	0	0
Townhome Detached Garage (22'X40')	0	0	0	0	0	0
Townhome Small Integral Garage (18'X38')	0	0	0	0	0	0
MPDU Townhome Small Integral Garage (18'X36')	0	0	0	0	0	0
Duplex Condo Over Retail (15'X50' or 60')	37	20	17	0	0	0
MPDU Condo Over Retail (15'X50' or 60')	7	7	0	0	0	0
Duplex Rental Over Retail (15'X50' or 60')	0	0	0	0	0	0
MPDU Rental Over Retail (15'X50' or 60')	0	0	0	0	0	0
TOTAL ABSORPTION	62	40	22	0	0	0
UNIT ABSORPTION (CLOSINGS)						
Product Type	Total					
	Units					
Tower Homes	0	0	0	0	0	0
Live/Work Courtyard w/Garage	0	0	0	0	0	0
Live/Work w/ Garage (24' or 22')	0	0	0	0	0	0
Live/Work w/o Garage (24' or 22')	10	0	0	10	0	0
Liner Townhomes (24'X30')	8	0	0	8	0	0
Townhome Integral Garage (22'x40')	0	0	0	0	0	0
Townhome Detached Garage (22'X40')	0	0	0	0	0	0
Townhome Small Integral Garage (18'X38')	0	0	0	0	0	0
MPDU Townhome Small Integral Garage (18'X36')	0	0	0	0	0	0
Duplex Condo Over Retail (15'X50' or 60')	37	0	0	37	0	0
MPDU Condo Over Retail (15'X50' or 60')	7	0	0	7	0	0
Duplex Rental Over Retail (15'X50' or 60')	0	0	0	0	0	0
MPDU Rental Over Retail (15'X50' or 60')	0	0	0	0	0	0
TOTAL ABSORPTION	62	0	0	62	0	0

NEWLAND COMMUNITIES

Appendix 5A

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 3: CONDOMINIUMS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	Avg. Price/Ft.	Avg. Unit Price	2007	2008	2009	2010	2011	2012
			YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL		Total						
RESIDENTIAL REVENUES								
Tower Homes	\$300	\$750,000	\$	\$	\$	\$	\$	\$
Live/Work Courtyard w/Garage	\$350	\$875,000	\$	\$	\$	\$	\$	\$
Live/Work w/ Garage (24' or 22')	\$370	\$850,000	\$	\$	\$	\$	\$	\$
Live/Work w/o Garage (24' or 22')	\$344	\$825,000	\$	\$	\$	8,688,178	\$	\$
Liner Townhomes (24'X30')	\$242	\$532,000	\$	\$	\$	4,404,960	\$	\$
Townhome Integral Garage (22'X40')	\$246	\$516,000	\$	\$	\$	\$	\$	\$
Townhome Detached Garage (22'X40')	\$235	\$563,000	\$	\$	\$	\$	\$	\$
Townhome Small Integral Garage (18'X38')	\$264	\$422,400	\$	\$	\$	\$	\$	\$
MPDU Townhome Small Integral Garage (18'X36')	\$225	\$292,000	\$	\$	\$	\$	\$	\$
Duplex Condo Over Retail (15'X50' or 60')	\$272	\$354,000	\$	\$	\$	13,774,432	\$	\$
MPDU Condo Over Retail (15'X50' or 60')	\$237	\$237,000	\$	\$	\$	1,717,065	\$	\$
TOTAL REVENUE, FOR-SALE RESIDENTIAL		\$ 28,584,635	\$	\$	\$	\$ 28,584,635	\$	\$
RENTAL APARTMENT REVENUES								
Duplex Rental Over Retail (15'X50' or 60')	0	\$	0	0	0	0	0	0
MPDU Rental Over Retail (15'X50' or 60')	0	\$	0	0	0	0	0	0
Turnover Rate			0%	0%	0%	0%	10%	10%
Duplex Rental Over Retail (15'X50' or 60')	1,300	\$	0	0	0	0	0	0
MPDU Rental Over Retail (15'X50' or 60')	1,000	\$	0	0	0	0	0	0
Annual Rent			1.00	1.03	1.06	1.09	1.13	1.16
Duplex Rental Over Retail (15'X50' or 60')	\$1.50	\$	\$	\$	\$	\$	\$	\$
MPDU Rental Over Retail (15'X50' or 60')	\$1.10	\$	\$	\$	\$	\$	\$	\$
Vacancy/Loss	5%	\$	\$	\$	\$	\$	\$	\$
Additional Revenue	5%	\$	\$	\$	\$	\$	\$	\$
TOTAL REVENUE, RENTAL APARTMENTS		\$	\$	\$	\$	\$	\$	\$
COSTS								
Cost Escalation								
Rental Apartment Expenses	\$	7,500	\$	1.03	1.06	1.09	1.13	1.16
OPERATING COSTS, RENTAL APARTMENTS		\$	\$	\$	\$	\$	\$	\$
NET REVENUE, RENTAL APARTMENTS		\$	\$	\$	\$	\$	\$	\$
CAPITALIZED VALUE, RENTAL APARTMENTS								
TOTAL REVENUE, RENTAL APARTMENTS		\$	\$	\$	\$	\$	\$	\$
7.0% CAP RATE		\$	\$	\$	\$	\$	\$	\$
TOTAL REVENUE, RENTAL APARTMENTS		\$	\$	\$	\$	\$	\$	\$

NEWLAND COMMUNITIES

Appendix 5A

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 3: CONDOMINIUMS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	2007	2008	2009	2010	2011	2012
	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL						
RETAIL REVENUES						
Retail GLA - Grocery	0	0	0	0	0	0
Retail GLA - In-line Retail	33,500	0	0	33,500	33,500	33,500
Total Retail GLA	0	0	0	33,500	33,500	33,500
Turnover Rate	0%	0%	0%	0%	12%	12%
Turnover Space	0	0	0	0	4,020	4,020
Revenue Escalation	3%	1.03	1.06	1.09	1.13	1.16
Rent (NNN) - Grocery	30	31	32	33	34	35
Rent (NNN) - In-line Retail	40	41	42	44	45	46
Rent (NNN) - Blended	40	41	42	44	45	46
Revenue				1,464,254	1,508,182	1,553,427
Vacancy/Loss	5%			(67,356)	(69,376)	(71,458)
REVENUE AFTER VACANCY, RETAIL	\$ 4,317,674	\$ -	\$ -	\$ 1,396,898	\$ 1,438,805	\$ 1,481,970
COSTS						
Cost Escalation	3%	1.00	1.03	1.06	1.13	1.16
Retail Leasing Costs	7%			(102,498)	(12,669)	(13,049)
Tenant Improvements (Grocery)						
Tenant Improvements (In-line Retail)	35			(1,281,222)		
Retail Management Fee	3%			(41,907)	(43,164)	(44,459)
Replacement Reserves	5%			(69,845)	(71,940)	(74,098)
OPERATING COSTS, RETAIL	\$ (1,754,852)	\$ -	\$ -	\$ (1,495,472)	\$ (127,773)	\$ (131,606)
NET REVENUE, RETAIL	\$ 2,562,822	\$ -	\$ -	\$ (98,574)	\$ 1,311,032	\$ 1,350,363
CAPITALIZED VALUE, RETAIL	\$ 20,567,665	\$ -	\$ -	\$ (98,574)	\$ 1,311,032	\$ 18,004,843
TOTAL REVENUE, RETAIL	\$ 49,152,300	\$ -	\$ -	\$ 28,486,062	\$ 1,311,032	\$ 19,355,207
GRAND TOTAL REVENUE	\$ 49,152,300	\$ -	\$ -	\$ 28,486,062	\$ 1,311,032	\$ 19,355,207
COSTS						
TIMING OF COSTS						
Hard Costs (Including Site Mitigation/Parking)	100%	0%	20%	40%	40%	0%
Soft Costs	100%	10%	25%	35%	30%	0%
Marketing Costs	100%	0%	40%	35%	25%	0%
HARD COSTS						
Total Site Costs	\$ 291,626	\$ (311,297)	\$ (123,755)	\$ (127,467)	\$ -	\$ -
Construction	\$ 22,369,477	\$ (23,878,316)	\$ (9,492,711)	\$ (9,777,493)	\$ -	\$ -
Parking	\$ 5,351,000	\$ (5,711,929)	\$ (2,270,750)	\$ (2,338,873)	\$ -	\$ -
TOTAL HARD COSTS	\$ 28,012,103	\$ (29,901,542)	\$ (11,887,216)	\$ (12,243,833)	\$ -	\$ -
Plus Contingency 5%	\$ (1,495,077)	\$ (594,361)	\$ (612,192)	\$ -	\$ -	\$ -
TOTAL HARD COSTS PLUS CONTINGENCY	\$ (31,396,619)	\$ (12,481,577)	\$ (12,500,008)	\$ (12,856,024)	\$ -	\$ -

NEWLAND COMMUNITIES

Appendix 5A

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 3: CONDOMINIUMS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	TOTAL	2007 YEAR 0	2008 YEAR 1	2009 YEAR 2	2010 YEAR 3	2011 YEAR 4	2012 YEAR 6
SOFT COSTS							
Engineering and Architecture	\$ (1,196,062)	\$ -	\$ (230,820)	\$ (475,489)	\$ (489,753)	\$ -	\$ -
Residential Marketing (Incl. Commissions)	\$ (1,715,078)	\$ -	\$ (686,031)	\$ (600,277)	\$ (428,770)	\$ -	\$ -
Legal Fees	\$ (299,015)	\$ -	\$ (57,705)	\$ (118,872)	\$ (122,438)	\$ -	\$ -
Insurance and Warranty	\$ (299,015)	\$ -	\$ (57,705)	\$ (118,872)	\$ (122,438)	\$ -	\$ -
Development Fee	\$ (598,031)	\$ -	\$ (115,410)	\$ (237,744)	\$ (244,877)	\$ -	\$ -
Contingency	\$ (123,216)	\$ -	\$ (34,430)	\$ (46,538)	\$ (42,248)	\$ -	\$ -
TOTAL SOFT COSTS	\$ (4,107,201)	\$ -	\$ (1,147,671)	\$ (1,551,255)	\$ (1,408,276)	\$ -	\$ -
Land	\$ (3,354,149)	\$ -	\$ (3,354,149)	\$ -	\$ -	\$ -	\$ -
TOTAL COSTS	\$ (38,857,969)	\$ -	\$ (10,560,837)	\$ (14,032,832)	\$ (14,264,300)	\$ -	\$ -
TOTAL REVENUE	\$ 49,152,300	\$ -	\$ -	\$ -	\$ 28,486,062	\$ 1,311,032	\$ 19,355,207
TOTAL COSTS	\$ (38,857,969)	\$ -	\$ (10,560,837)	\$ (14,032,832)	\$ (14,264,300)	\$ -	\$ -
TOTAL NET REVENUE	\$ 10,294,331	\$ -	\$ (10,560,837)	\$ (14,032,832)	\$ 14,221,761	\$ 1,311,032	\$ 19,355,207
<i>Cumulative Net Revenue</i>	\$ 10,294,331	\$ -	\$ (10,560,837)	\$ (24,593,669)	\$ (10,371,908)	\$ (9,060,876)	\$ 10,294,331
Beginning Balance	\$ -	\$ -	\$ -	\$ 9,293,537	\$ 22,571,782	\$ 10,607,200	\$ 10,356,887
Loan Draw	\$ 19,674,935	\$ -	\$ 8,448,670	\$ 11,226,265	\$ -	\$ -	\$ -
Interest	\$ 7,250,434	\$ -	\$ 844,867	\$ 2,051,980	\$ 2,257,178	\$ 1,060,720	\$ 1,035,689
Repayment	\$ (26,925,369)	\$ -	\$ -	\$ -	\$ (14,221,761)	\$ (1,311,032)	\$ (11,392,576)
Ending Balance	\$ -	\$ -	\$ 9,293,537	\$ 22,571,782	\$ 10,607,200	\$ 10,356,887	\$ -
LEVERAGED CASH FLOW	\$ 3,043,897	\$ -	\$ (2,112,167)	\$ (2,806,566)	\$ -	\$ -	\$ 7,962,631
EQUITY OUTSTANDING AT YEAR END	\$ -	\$ -	\$ (2,112,167)	\$ (4,918,734)	\$ (4,918,734)	\$ (4,918,734)	\$ 3,043,897
UNLEVERAGED IRR	15%						
LEVERAGED IRR	15%						
TOTAL PROJECT NPV	15%						
NPV @ 15%	\$ 0						

NEULAND COMMUNITIES

Appendix 5B

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 4: CONDOMINIUMS OVER RETAIL CLARKSBURG TOWN CENTER, MONTGOMERY COUNTY, MD FEBRUARY 2007

	TOTAL	2007 YEAR 0	2008 YEAR 1	2009 YEAR 2	2010 YEAR 3	2011 YEAR 4	2012 YEAR 5
CONSTRAINTS/ASSUMPTIONS							
Price Escalation	3.5%	0.0%	3.5%	7.1%	10.9%	14.8%	18.8%
Annual Cost Escalation	3.0%	0.0%	3.0%	6.1%	9.3%	12.6%	15.9%
UNIT ABSORPTION (END USER SALES)							
Product Type	Total Units						
Tower Homes	0	0	0	0	0	0	0
Live/Work Courtyard w/Garage	0	0	0	0	0	0	0
Live/Work w/ Garage (24' or 22')	0	0	0	0	0	0	0
Live/Work w/o Garage (24' or 22')	12	0	6	6	0	0	0
Liner Townhomes (24'X30')	0	0	0	0	0	0	0
Townhome Integral Garage (22'x40')	1	0	1	0	0	0	0
Townhome Detached Garage (22'X40')	13	0	13	0	0	0	0
Townhome Small Integral Garage (18'X38')	0	0	0	0	0	0	0
MPDU Townhome Small Integral Garage (18'X36')	3	0	3	0	0	0	0
Duplex Condo Over Retail (15'X50' or 60')	16	0	9	7	0	0	0
MPDU Condo Over Retail (15'X50' or 60')	3	0	3	0	0	0	0
Duplex Rental Over Retail (15'X50' or 60')	0	0	0	0	0	0	0
MPDU Rental Over Retail (15'X50' or 60')	0	0	0	0	0	0	0
TOTAL ABSORPTION	48	0	35	13	0	0	0
UNIT ABSORPTION (CLOSINGS)							
Product Type	Total Units						
Tower Homes	0	0	0	0	0	0	0
Live/Work Courtyard w/Garage	0	0	0	0	0	0	0
Live/Work w/ Garage (24' or 22')	0	0	0	0	0	0	0
Live/Work w/o Garage (24' or 22')	12	0	0	0	12	0	0
Liner Townhomes (24'X30')	0	0	0	0	0	0	0
Townhome Integral Garage (22'x40')	1	0	0	0	1	0	0
Townhome Detached Garage (22'X40')	13	0	0	0	13	0	0
Townhome Small Integral Garage (18'X38')	0	0	0	0	0	0	0
MPDU Townhome Small Integral Garage (18'X36')	3	0	0	0	3	0	0
Duplex Condo Over Retail (15'X50' or 60')	16	0	0	0	16	0	0
MPDU Condo Over Retail (15'X50' or 60')	3	0	0	0	3	0	0
Duplex Rental Over Retail (15'X50' or 60')	0	0	0	0	0	0	0
MPDU Rental Over Retail (15'X50' or 60')	0	0	0	0	0	0	0
TOTAL ABSORPTION	48	0	0	0	48	0	0

NEWLAND COMMUNITIES

Appendix 5B

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 4: CONDOMINIUMS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	2007 YEAR 0		2008 YEAR 1		2009 YEAR 2		2010 YEAR 3		2011 YEAR 4		2012 YEAR 5	
	Avg. Price/Ft.	Avg. Unit Price										
RESIDENTIAL REVENUES												
Tower Homes	\$300	\$750,000										
Live/Work Courtyard w/Garage	\$350	\$875,000										
Live/Work w/ Garage (24' or 22')	\$370	\$850,000										
Live/Work w/o Garage (24' or 22')	\$344	\$825,000					10,425,814					
Liner Townhomes (24'X30')	\$242	\$532,000										
Townhome Integral Garage (22'X40')	\$246	\$516,000						534,060				
Townhome Detached Garage (22'X40')	\$235	\$563,000						7,575,165				
Townhome Small Integral Garage (18'X38')	\$264	\$422,400										
MPDU Townhome Small Integral Garage (18'X36')	\$225	\$292,000							906,660			
Duplex Condo Over Retail (15'X50' or 60')	\$272	\$354,000							5,952,006			
MPDU Condo Over Retail (15'X50' or 60')	\$237	\$237,000							735,885			
TOTAL REVENUE, FOR-SALE RESIDENTIAL												
		\$ 26,129,589						\$ 26,129,589				
RENTAL APARTMENT REVENUES												
Duplex Rental Over Retail (15'X50' or 60')			0	0	0	0	0	0	0	0	0	0
MPDU Rental Over Retail (15'X50' or 60')			0	0	0	0	0	0	0	0	0	0
Turnover Rate			0%	0%	0%	0%	0%	0%	10%	10%	10%	10%
Duplex Rental Over Retail (15'X50' or 60')		1,300										
MPDU Rental Over Retail (15'X50' or 60')		1,000										
Annual Rent			3%									
Duplex Rental Over Retail (15'X50' or 60')	\$1.50			1.00		1.06		1.09		1.13		1.16
MPDU Rental Over Retail (15'X50' or 60')	\$1.10											
Vacancy/Loss		5% Vacancy										
Additional Revenue		5%										
TOTAL REVENUE, RENTAL APARTMENTS												
		\$		\$		\$		\$		\$		\$
COSTS												
Cost Escalation			3%	1.00		1.06		1.09		1.13		1.16
Rental Apartment Expenses	\$	7,500										
OPERATING COSTS, RENTAL APARTMENTS												
		\$		\$		\$		\$		\$		\$
NET REVENUE, RENTAL APARTMENTS												
		\$		\$		\$		\$		\$		\$
CAPITALIZED VALUE, RENTAL APARTMENTS												
TOTAL REVENUE, RENTAL APARTMENTS												
		\$		\$		\$		\$		\$		\$
7.0% CAP RATE												
		\$		\$		\$		\$		\$		\$

NEWLAND COMMUNITIES

Appendix 5B

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 4: CONDOMINIUMS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	TOTAL	2007 YEAR 0	2008 YEAR 1	2009 YEAR 2	2010 YEAR 3	2011 YEAR 4	2012 YEAR 5
RETAIL REVENUES							
Retail GLA - Grocery	0	0	0	0	0	0	0
Retail GLA - In-line Retail	15,000	0	0	0	15,000	15,000	15,000
Total Retail GLA	0	0	0	0	15,000	15,000	15,000
Turnover Rate	0%	0%	0%	0%	0%	12%	12%
Turnover Space	0	0	0	0	0	1,800	1,800
Revenue Escalation	3%	1.00	1.03	1.06	1.09	1.13	1.16
Rent (NNN) - Grocery	\$ 30	\$ 30	\$ 31	\$ 32	\$ 33	\$ 34	\$ 35
Rent (NNN) - In-line Retail	\$ 40	\$ 40	\$ 41	\$ 42	\$ 44	\$ 45	\$ 46
Rent (NNN) - Blended	\$ 40	\$ 40	\$ 41	\$ 42	\$ 44	\$ 45	\$ 46
Revenue	\$ -	\$ -	\$ -	\$ -	\$ 655,636	\$ 675,305	\$ 695,564
Vacancy/Loss	5%	\$ -	\$ -	\$ -	\$ (30,159)	\$ (31,064)	\$ (31,996)
REVENUE AFTER VACANCY, RETAIL	\$ 1,933,287	\$ -	\$ -	\$ -	\$ 625,477	\$ 644,241	\$ 663,568
COSTS							
Cost Escalation	3%	1.00	1.03	1.06	1.09	1.13	1.16
Leasing Costs	7%	\$ -	\$ -	\$ -	\$ (45,895)	\$ (5,673)	\$ (5,843)
Tenant Improvements (Grocery)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tenant Improvements (In-line Retail)	\$ 35	\$ -	\$ -	\$ -	\$ (573,682)	\$ -	\$ -
Management Fee	3%	\$ -	\$ -	\$ -	\$ (18,764)	\$ (19,327)	\$ (19,907)
Replacement Reserves	5%	\$ -	\$ -	\$ -	\$ (31,274)	\$ (32,212)	\$ (33,178)
RETAIL OPERATING COSTS	\$ (785,754)	\$ -	\$ -	\$ -	\$ (669,614)	\$ (57,212)	\$ (58,928)
NET REVENUE, RETAIL	\$ 1,147,532	\$ -	\$ -	\$ -	\$ (44,137)	\$ 587,029	\$ 604,640
CAPITALIZED VALUE, RETAIL	7.5% CAP RATE						
TOTAL REVENUE, RETAIL	\$ 9,209,402	\$ -	\$ -	\$ -	\$ (44,137)	\$ 587,029	\$ 8,061,870
GRAND TOTAL REVENUE	\$ 35,338,992	\$ -	\$ -	\$ -	\$ 26,085,452	\$ 587,029	\$ 8,666,510
COSTS							
TIMING OF COSTS							
Hard Costs (including Site Mitigation/Parking)	100%	0%	20%	40%	40%	0%	0%
Soft Costs	100%	10%	25%	35%	30%	0%	0%
Marketing Costs	100%	0%	40%	35%	25%	0%	0%
HARD COSTS							
Total Site Costs	\$ 130,579	\$ (139,387)	\$ (26,899)	\$ (55,412)	\$ (57,075)	\$ -	\$ -
Construction	\$ 17,153,517	\$ (18,310,536)	\$ (3,533,625)	\$ (7,279,267)	\$ (7,497,645)	\$ -	\$ -
Parking	\$ 1,427,000	\$ (1,523,252)	\$ (293,962)	\$ (605,562)	\$ (623,729)	\$ -	\$ -
TOTAL HARD COSTS	\$ 18,711,096	\$ (19,973,175)	\$ (3,854,486)	\$ (7,940,241)	\$ (8,178,448)	\$ -	\$ -
Plus Contingency 5%	\$ (998,659)	\$ -	\$ (192,724)	\$ (397,012)	\$ (408,922)	\$ -	\$ -
TOTAL HARD COSTS PLUS CONTINGENCY	\$ (20,971,833)	\$ -	\$ (4,047,210)	\$ (8,337,253)	\$ (8,587,370)	\$ -	\$ -

NEWLAND COMMUNITIES

Appendix 5B

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 4: CONDOMINIUMS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	TOTAL	2007 YEAR 0	2008 YEAR 1	2009 YEAR 2	2010 YEAR 3	2011 YEAR 4	2012 YEAR 5
SOFT COSTS							
Engineering and Architecture	\$ (798,927)	\$ -	\$ (154,179)	\$ (317,610)	\$ (327,138)	\$ -	\$ -
Residential Marketing (Incl. Commissions)	\$ (1,567,775)	\$ -	\$ (627,110)	\$ (548,721)	\$ (391,944)	\$ -	\$ -
Legal Fees	\$ (199,732)	\$ -	\$ (38,545)	\$ (79,402)	\$ (81,784)	\$ -	\$ -
Insurance and Warranty	\$ (199,732)	\$ -	\$ (38,545)	\$ (79,402)	\$ (81,784)	\$ -	\$ -
Development Fee	\$ (399,463)	\$ -	\$ (77,090)	\$ (158,805)	\$ (163,569)	\$ -	\$ -
Contingency	\$ (94,969)	\$ -	\$ (28,064)	\$ (35,518)	\$ (31,387)	\$ -	\$ -
TOTAL SOFT COSTS	\$ (3,165,629)	\$ -	\$ (935,469)	\$ (1,183,941)	\$ (1,046,220)	\$ -	\$ -
Land	\$ (4,277,983)	\$ -	\$ (4,277,983)	\$ -	\$ -	\$ -	\$ -
TOTAL COSTS	\$ (28,415,446)	\$ -	\$ (9,260,663)	\$ (9,521,193)	\$ (9,633,590)	\$ -	\$ -
TOTAL REVENUE	\$ 35,338,992	\$ -	\$ -	\$ -	\$ 26,085,452	\$ 587,029	\$ 8,666,510
TOTAL COSTS	\$ (28,415,446)	\$ -	\$ (9,260,663)	\$ (9,521,193)	\$ (9,633,590)	\$ -	\$ -
TOTAL NET REVENUE	\$ 6,923,546	\$ -	\$ (9,260,663)	\$ (9,521,193)	\$ 16,451,862	\$ 587,029	\$ 8,666,510
<i>Cumulative Net Revenue</i>	\$ 6,923,546	\$ -	\$ (9,260,663)	\$ (18,781,856)	\$ (2,329,994)	\$ (1,742,965)	\$ 6,923,546
Beginning Balance	\$ -	\$ -	\$ -	\$ 8,149,383	\$ 17,342,972	\$ 2,625,407	\$ 2,300,918
Loan Draw	\$ 15,025,485	\$ -	\$ 7,408,530	\$ 7,616,955	\$ -	\$ -	\$ -
Interest	\$ 4,544,416	\$ -	\$ 740,853	\$ 1,576,634	\$ 1,734,297	\$ 262,541	\$ 230,092
Repayment	\$ (19,569,901)	\$ -	\$ -	\$ -	\$ (16,451,862)	\$ (587,029)	\$ (2,531,010)
Ending Balance	\$ -	\$ -	\$ 8,149,383	\$ 17,342,972	\$ 2,625,407	\$ 2,300,918	\$ -
LEVERAGED CASH FLOW	\$ 2,379,129	\$ -	\$ (1,852,133)	\$ (1,904,239)	\$ -	\$ -	\$ 6,135,500
EQUITY OUTSTANDING AT YEAR END	\$ -	\$ -	\$ (1,852,133)	\$ (3,756,371)	\$ (3,756,371)	\$ (3,756,371)	\$ 2,379,129
UNLEVERAGED IRR	16%						
LEVERAGED IRR	15%						
TOTAL PROJECT NPV	15% \$ -						

NEWLAND COMMUNITIES

Appendix 5C

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 5: CONDOMINIUMS OVER RETAIL CLARKSBURG TOWN CENTER: MONTGOMERY COUNTY, MD FEBRUARY 2007

	2007	2008	2009	2010	2011	2012
TOTAL	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CONSTRAINTS/ASSUMPTIONS						
Price Escalation	0.0%	3.5%	7.1%	10.9%	14.8%	18.8%
Annual Cost Escalation	0.0%	3.0%	6.1%	9.3%	12.6%	15.9%
UNIT ABSORPTION (END USER SALES)						
Product Type	Total					
Tower Homes	0	0	0	0	0	0
Live/Work Courtyard w/Garage	9	5	4	0	0	0
Live/Work w/ Garage (24' or 22')	0	0	0	0	0	0
Live/Work w/o Garage (24' or 22')	0	0	0	0	0	0
Liner Townhomes (24'X30')	12	12	0	0	0	0
Townhome Integral Garage (22'x40')	0	0	0	0	0	0
Townhome Detached Garage (22'X40')	0	0	0	0	0	0
Townhome Small Integral Garage (18'X38')	0	0	0	0	0	0
MPDU Townhome Small Integral Garage (18'X36')	0	0	0	0	0	0
Duplex Condo Over Retail (15'X50' or 60')	37	20	17	0	0	0
MPDU Condo Over Retail (15'X50' or 60')	7	7	0	0	0	0
Duplex Rental Over Retail (15'X50' or 60')	0	0	0	0	0	0
MPDU Rental Over Retail (15'X50' or 60')	0	0	0	0	0	0
TOTAL ABSORPTION	65	44	21	0	0	0
UNIT ABSORPTION (CLOSINGS)						
Product Type	Total					
Tower Homes	0	0	0	0	0	0
Live/Work Courtyard w/Garage	9	0	0	9	0	0
Live/Work w/ Garage (24' or 22')	0	0	0	0	0	0
Live/Work w/o Garage (24' or 22')	0	0	0	0	0	0
Liner Townhomes (24'X30')	12	0	0	12	0	0
Townhome Integral Garage (22'x40')	0	0	0	0	0	0
Townhome Detached Garage (22'X40')	0	0	0	0	0	0
Townhome Small Integral Garage (18'X38')	0	0	0	0	0	0
MPDU Townhome Small Integral Garage (18'X36')	0	0	0	0	0	0
Duplex Condo Over Retail (15'X50' or 60')	37	0	0	37	0	0
MPDU Condo Over Retail (15'X50' or 60')	7	0	0	7	0	0
Duplex Rental Over Retail (15'X50' or 60')	0	0	0	0	0	0
MPDU Rental Over Retail (15'X50' or 60')	0	0	0	0	0	0
TOTAL ABSORPTION	65	0	0	65	0	0

NEWLAND COMMUNITIES

Appendix 5C

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 5: CONDOMINIUMS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

		2007	2008	2009	2010	2011	2012
	TOTAL	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RESIDENTIAL REVENUES							
	Avg. Price/Ft.	Avg. Unit Price					
Tower Homes	\$300	\$750,000	\$ -	\$ -	\$ -	\$ -	\$ -
Live/Work Courtyard w/Garage	\$350	\$875,000	\$ -	\$ -	\$ 8,277,413	\$ -	\$ -
Live/Work w/ Garage (24' or 22')	\$370	\$850,000	\$ -	\$ -	\$ -	\$ -	\$ -
Live/Work w/o Garage (24' or 22')	\$344	\$825,000	\$ -	\$ -	\$ -	\$ -	\$ -
Liner Townhomes (24'X30')	\$242	\$532,000	\$ -	\$ -	\$ 6,607,440	\$ -	\$ -
Townhome Integral Garage (22'X40')	\$246	\$516,000	\$ -	\$ -	\$ -	\$ -	\$ -
Townhome Detached Garage (22'X40')	\$235	\$563,000	\$ -	\$ -	\$ -	\$ -	\$ -
Townhome Small Integral Garage (18'X38')	\$264	\$422,400	\$ -	\$ -	\$ -	\$ -	\$ -
MPDU Townhome Small Integral Garage (18'X36')	\$225	\$354,000	\$ -	\$ -	\$ -	\$ -	\$ -
Duplex Condo Over Retail (15'X50' or 60')	\$272	\$354,000	\$ -	\$ -	\$ 13,774,432	\$ -	\$ -
MPDU Condo Over Retail (15'X50' or 60')	\$237	\$237,000	\$ -	\$ -	\$ 1,717,065	\$ -	\$ -
TOTAL REVENUE, FOR-SALE RESIDENTIAL		\$ 30,376,350	\$ -	\$ -	\$ 30,376,350	\$ -	\$ -
RENTAL APARTMENT REVENUES							
Duplex Rental Over Retail (15'X50' or 60')		0	0	0	0	0	0
MPDU Rental Over Retail (15'X50' or 60')		0	0	0	0	0	0
Turnover Rate		0%	0%	0%	0%	10%	10%
Duplex Rental Over Retail (15'X50' or 60')	1,300	0	0	0	0	0	0
MPDU Rental Over Retail (15'X50' or 60')	1,000	0	0	0	0	0	0
Annual Rent		3%	1.00	1.03	1.06	1.09	1.13
Duplex Rental Over Retail (15'X50' or 60')	\$1.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MPDU Rental Over Retail (15'X50' or 60')	\$1.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vacancy/Loss		5% Vacancy					
Additional Revenue		5%					
TOTAL REVENUE, RENTAL APARTMENTS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COSTS							
Cost Escalation		3%	1.00	1.03	1.06	1.09	1.13
Rental Apartment Expenses	\$	7,500	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATING COSTS, RENTAL APARTMENTS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET REVENUE, RENTAL APARTMENTS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITALIZED VALUE, RENTAL APARTMENTS							
TOTAL REVENUE, RENTAL APARTMENTS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7.0% CAP RATE		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE, RENTAL APARTMENTS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NEWLAND COMMUNITIES

Appendix 5C

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 5: CONDOMINIUMS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	TOTAL	2007 YEAR 0	2008 YEAR 1	2009 YEAR 2	2010 YEAR 3	2011 YEAR 4	2012 YEAR 5
RETAIL REVENUES							
Retail GLA - Grocery	56,000	0	0	0	56,000	56,000	56,000
Retail GLA - In-line Retail	28,500	0	0	0	28,500	28,500	28,500
Total Retail GLA	0	0	0	0	84,500	84,500	84,500
Turnover Rate	0%	0%	0%	0%	0%	12%	12%
Turnover Space	0	0	0	0	0	10,140	10,140
Revenue Escalation	3%	1.00	1.03	1.06	1.09	1.13	1.16
Rent (NNN) - Grocery	\$ 30	\$ 30	\$ 31	\$ 32	\$ 33	\$ 34	\$ 35
Rent (NNN) - In-line Retail	\$ 40	\$ 40	\$ 41	\$ 42	\$ 44	\$ 45	\$ 46
Rent (NNN) - Blended	\$ 33	\$ 33	\$ 34	\$ 35	\$ 36	\$ 38	\$ 39
Revenue	\$ -	\$ -	\$ -	\$ -	\$ 3,081,490	\$ 3,173,935	\$ 3,269,153
Vacancy/Loss	\$ 5%	\$ -	\$ -	\$ -	\$ (141,749)	\$ (146,001)	\$ (150,381)
REVENUE AFTER VACANCY, RETAIL	\$ 9,086,447	\$ -	\$ -	\$ -	\$ 2,939,742	\$ 3,027,934	\$ 3,118,772
COSTS							
Cost Escalation	3%	1.00	1.03	1.06	1.09	1.13	1.16
Leasing Costs	7%	\$ -	\$ -	\$ -	\$ (215,704)	\$ (26,661)	\$ (27,461)
Tenant Improvements (Grocery)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tenant Improvements (In-line Retail)	\$ 35	\$ -	\$ -	\$ -	\$ (1,089,995)	\$ -	\$ -
Management Fee	3%	\$ -	\$ -	\$ -	\$ (88,192)	\$ (90,838)	\$ (93,563)
Replacement Reserves	5%	\$ -	\$ -	\$ -	\$ (146,967)	\$ (151,397)	\$ (155,939)
RETAIL OPERATING COSTS	\$ (2,086,737)	\$ -	\$ -	\$ -	\$ (1,540,879)	\$ (268,896)	\$ (276,963)
NET REVENUE, RETAIL	\$ 6,999,710	\$ -	\$ -	\$ -	\$ 1,398,863	\$ 2,759,038	\$ 2,841,809
CAPITALIZED VALUE, RETAIL							
TOTAL REVENUE, RETAIL	\$ 44,890,500	\$ -	\$ -	\$ -	\$ 1,398,863	\$ 2,759,038	\$ 37,890,790
GRAND TOTAL REVENUE	\$ 75,266,849	\$ -	\$ -	\$ -	\$ 31,775,212	\$ 2,759,038	\$ 40,732,599
COSTS							
TIMING OF COSTS							
Hard Costs (including Site Mitigation/Parking)	100%	0%	20%	40%	40%	0%	0%
Soft Costs	100%	10%	25%	35%	30%	0%	0%
Marketing Costs	100%	0%	40%	35%	25%	0%	0%
Total Site Costs	\$ 735,595	\$ (785,211)	\$ (151,533)	\$ (312,157)	\$ (321,522)	\$ -	\$ -
Construction	\$ 27,613,962	\$ (29,476,546)	\$ (5,888,476)	\$ (11,718,261)	\$ (12,069,809)	\$ -	\$ -
Parking	\$ 9,793,000	\$ (10,453,546)	\$ (2,017,358)	\$ (4,155,757)	\$ (4,280,430)	\$ -	\$ -
TOTAL HARD COSTS	\$ 38,142,557	\$ (40,715,303)	\$ (7,857,367)	\$ (16,186,176)	\$ (16,671,761)	\$ -	\$ -
Plus Contingency 5%	\$ (2,035,765)	\$ -	\$ (392,868)	\$ (809,309)	\$ (833,588)	\$ -	\$ -
TOTAL HARD COSTS PLUS CONTINGENCY	\$ (42,751,068)	\$ -	\$ (8,250,235)	\$ (16,995,484)	\$ (17,505,349)	\$ -	\$ -

NEWLAND COMMUNITIES

Appendix 5C

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 5: CONDOMINIUMS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	TOTAL	2007 YEAR 0	2008 YEAR 1	2009 YEAR 2	2010 YEAR 3	2011 YEAR 4	2012 YEAR 5
SOFT COSTS							
Engineering and Architecture	\$ (1,628,612)	\$ -	\$ (314,295)	\$ (647,447)	\$ (666,870)	\$ -	\$ -
Residential Marketing (Incl. Commissions)	\$ (1,822,581)	\$ -	\$ (729,032)	\$ (637,903)	\$ (455,645)	\$ -	\$ -
Legal Fees	\$ (407,153)	\$ -	\$ (78,574)	\$ (161,862)	\$ (166,718)	\$ -	\$ -
Insurance and Warranty	\$ (407,153)	\$ -	\$ (78,574)	\$ (161,862)	\$ (166,718)	\$ -	\$ -
Development Fee	\$ (814,306)	\$ -	\$ (157,147)	\$ (323,724)	\$ (333,435)	\$ -	\$ -
Contingency	\$ (152,394)	\$ -	\$ (40,729)	\$ (57,984)	\$ (53,682)	\$ -	\$ -
TOTAL SOFT COSTS	\$ (5,079,805)	\$ -	\$ (1,357,622)	\$ (1,932,797)	\$ (1,789,386)	\$ -	\$ -
Land	\$ (9,279,285)	\$ -	\$ (9,279,285)	\$ -	\$ -	\$ -	\$ -
TOTAL COSTS	\$ (57,110,159)	\$ -	\$ (18,887,142)	\$ (18,928,282)	\$ (19,294,735)	\$ -	\$ -
TOTAL REVENUE	\$ 75,266,849	\$ -	\$ -	\$ -	\$ 31,775,212	\$ 2,759,038	\$ 40,732,599
TOTAL COSTS	\$ (57,110,159)	\$ -	\$ (18,887,142)	\$ (18,928,282)	\$ (19,294,735)	\$ -	\$ -
TOTAL NET REVENUE	\$ 18,156,691	\$ -	\$ (18,887,142)	\$ (18,928,282)	\$ 12,480,477	\$ 2,759,038	\$ 40,732,599
<i>Cumulative Net Revenue</i>	\$ 18,156,691	\$ -	\$ (18,887,142)	\$ (37,815,424)	\$ (25,334,946)	\$ (22,575,908)	\$ 18,156,691
Beginning Balance	\$ -	\$ -	\$ -	\$ 16,620,685	\$ 34,939,641	\$ 25,953,128	\$ 25,789,403
Loan Draw	\$ 30,252,339	\$ -	\$ 15,109,713	\$ 15,142,625	\$ -	\$ -	\$ -
Interest	\$ 13,355,520	\$ -	\$ 1,510,971	\$ 3,176,331	\$ 3,493,964	\$ 2,595,313	\$ 2,578,940
Repayment	\$ (43,607,858)	\$ -	\$ -	\$ -	\$ (12,480,477)	\$ (2,759,038)	\$ (28,368,343)
Ending Balance	\$ -	\$ -	\$ 16,620,685	\$ 34,939,641	\$ 25,953,128	\$ 25,789,403	\$ -
LEVERAGED CASH FLOW	\$ 4,801,171	\$ -	\$ (3,777,428)	\$ (3,785,656)	\$ -	\$ -	\$ 12,364,256
EQUITY OUTSTANDING AT YEAR END	\$ -	\$ -	\$ (3,777,428)	\$ (7,563,085)	\$ (7,563,085)	\$ -	\$ 4,801,171
UNLEVERAGED IRR	14%						
LEVERAGED IRR	15%						
TOTAL PROJECT NPV	15%						
NPV @	15%						0

NEWLAND COMMUNITIES

Appendix 6A

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 3: RENTAL APARTMENTS OVER RETAIL CLARKSBURG TOWN CENTER, MONTGOMERY COUNTY, MD FEBRUARY 2007

	TOTAL	2007 YEAR 0	2008 YEAR 1	2009 YEAR 2	2010 YEAR 3	2011 YEAR 4	2012 YEAR 5
CONSTRAINTS/ASSUMPTIONS							
Price Escalation	3.5%	0.0%	3.5%	7.1%	10.9%	14.8%	18.8%
Annual Cost Escalation	3.0%	0.0%	3.0%	6.1%	9.3%	12.6%	15.9%
UNIT ABSORPTION (END USER SALES)							
Product Type	Total Units						
Tower Homes	0	0	0	0	0	0	0
Live/Work Courtyard w/Garage	0	0	0	0	0	0	0
Live/Work w/ Garage (24' or 22')	10	0	5	5	0	0	0
Live/Work w/o Garage (24' or 22')	8	0	8	0	0	0	0
Liner Townhomes (24'X30')	0	0	0	0	0	0	0
Townhome Integral Garage (22'x40')	0	0	0	0	0	0	0
Townhome Detached Garage (22'X40')	0	0	0	0	0	0	0
Townhome Small Integral Garage (18'X38')	0	0	0	0	0	0	0
MPDU Townhome Small Integral Garage (18'X38')	0	0	0	0	0	0	0
Duplex Condo Over Retail (15'X50' or 60')	0	0	0	0	0	0	0
MPDU Condo Over Retail (15'X50' or 60')	0	0	0	0	0	0	0
Duplex Rental Over Retail (15'X50' or 60')	37	0	20	17	0	0	0
MPDU Rental Over Retail (15'X50' or 60')	7	0	7	0	0	0	0
TOTAL ABSORPTION	62	0	40	22	0	0	0
UNIT ABSORPTION (CLOSINGS)							
Product Type	Total Units						
Tower Homes	0	0	0	0	0	0	0
Live/Work Courtyard w/Garage	0	0	0	0	0	0	0
Live/Work w/ Garage (24' or 22')	0	0	0	0	0	0	0
Live/Work w/o Garage (24' or 22')	10	0	0	0	10	0	0
Liner Townhomes (24'X30')	8	0	0	0	8	0	0
Townhome Integral Garage (22'x40')	0	0	0	0	0	0	0
Townhome Detached Garage (22'X40')	0	0	0	0	0	0	0
Townhome Small Integral Garage (18'X38')	0	0	0	0	0	0	0
MPDU Townhome Small Integral Garage (18'X38')	0	0	0	0	0	0	0
Duplex Condo Over Retail (15'X50' or 60')	0	0	0	0	0	0	0
MPDU Condo Over Retail (15'X50' or 60')	0	0	0	0	0	0	0
Duplex Rental Over Retail (15'X50' or 60')	37	0	0	0	37	0	0
MPDU Rental Over Retail (15'X50' or 60')	7	0	0	0	7	0	0
TOTAL ABSORPTION	62	0	0	0	62	0	0

NEWLAND COMMUNITIES

Appendix 6A

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 3: RENTAL APARTMENTS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

		2007	2008	2009	2010	2011	2012
	TOTAL	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RESIDENTIAL REVENUES							
		Avg. Price/Ft.	Avg. Unit Price	Total			
Tower Homes		\$300	\$750,000	\$			
Live/Work Courtyard w/Garage		\$350	\$875,000	\$			
Live/Work w/ Garage (24' or 22')		\$370	\$850,000	\$			
Live/Work w/o Garage (24' or 22')		\$344	\$825,000	\$	8,688,178		
Liner Townhomes (24'X30')		\$242	\$532,000	\$	4,404,960		
Townhome Integral Garage (22'x40')		\$246	\$516,000	\$			
Townhome Detached Garage (22'x40')		\$235	\$563,000	\$			
Townhome Small Integral Garage (18'X38')		\$264	\$422,400	\$			
MPDU Townhome Small Integral Garage (18'X36')		\$225	\$292,000	\$			
Duplex Condo Over Retail (15'X50' or 60')		\$272	\$354,000	\$			
MPDU Condo Over Retail (15'X50' or 60')		\$237	\$237,000	\$			
TOTAL REVENUE, FOR-SALE RESIDENTIAL			\$ 13,093,138	\$	\$ 13,093,138	\$	\$
RENTAL APARTMENT REVENUES							
Duplex Rental Over Retail (15'X50' or 60')	37	0	0	0	0	37	37
MPDU Rental Over Retail (15'X50' or 60')	7	0	0	0	0	7	7
Turnover Rate		0%	0%	0%	0%	10%	10%
Duplex Rental Over Retail (15'X50' or 60')		1,300	0	0	48,100	48,100	48,100
MPDU Rental Over Retail (15'X50' or 60')		1,000	0	0	7,000	7,000	7,000
Annual Rent	3%		1.00	1.03	1.06	1.09	1.13
Duplex Rental Over Retail (15'X50' or 60')		\$ 1.50	\$ 2,924,248	\$	\$ 946,083	\$ 974,466	\$ 1,003,699
MPDU Rental Over Retail (15'X50' or 60')		\$ 1.10	\$ 312,082	\$	\$ 100,968	\$ 103,997	\$ 107,117
Vacancy/Loss		5%	\$ (161,816)	\$	\$ (52,353)	\$ (53,923)	\$ (55,541)
Additional Revenue			\$ 161,816	\$	\$ 52,353	\$ 53,923	\$ 55,541
TOTAL REVENUE, RENTAL APARTMENTS			\$ 3,236,330	\$	\$ 1,047,051	\$ 1,078,463	\$ 1,110,816
COSTS							
Cost Escalation		\$	1.00	1.03	1.06	1.09	1.13
Rental Apartment Expenses	3%	\$ 7,500	\$ (1,114,578)	\$	\$ (360,600)	\$ (371,418)	\$ (382,560)
OPERATING COSTS, RENTAL APARTMENTS			\$ (1,114,578)	\$	\$ (360,600)	\$ (371,418)	\$ (382,560)
NET REVENUE, RENTAL APARTMENTS			\$ 2,121,752	\$	\$ 686,451	\$ 707,045	\$ 728,256
CAPITALIZED VALUE, RENTAL APARTMENTS							
TOTAL REVENUE, RENTAL APARTMENTS			\$ 12,525,408	\$	\$ 686,451	\$ 707,045	\$ 11,131,913
		7.0% CAP RATE					\$ 10,403,657

NEWLAND COMMUNITIES

Appendix 6A

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 3: RENTAL APARTMENTS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	2007	2008	2009	2010	2011	2012
	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL						
RETAIL REVENUES						
Retail GLA - Grocery	0	0	0	0	0	0
Retail GLA - In-line Retail	33,500	0	0	33,500	33,500	33,500
Total Retail GLA	0	0	0	33,500	33,500	33,500
Turnover Rate	0%	0%	0%	0%	12%	12%
Turnover Space	0	0	0	0	4,020	4,020
Revenue Escalation	3%	1.03	1.06	1.09	1.13	1.16
Rent (NNN) - Grocery	30	30	32	33	34	35
Rent (NNN) - In-line Retail	40	41	42	44	45	46
Rent (NNN) - Blended	40	41	42	44	45	46
Revenue	\$ -	\$ -	\$ -	\$ 1,464,254	\$ 1,508,182	\$ 1,553,427
Vacancy/Loss	5%	-	-	(67,356)	(69,376)	(71,458)
REVENUE AFTER VACANCY, RETAIL	\$ 4,317,674	\$ -	\$ -	\$ 1,396,898	\$ 1,438,805	\$ 1,481,970
COSTS						
Cost Escalation	3%	1.00	1.03	1.06	1.13	1.16
Retail Leasing Costs	7%	-	-	(102,498)	(12,669)	(13,049)
Tenant Improvements (Grocery)	-	-	-	-	-	-
Tenant Improvements (In-line Retail)	35	-	-	(1,281,222)	-	-
Retail Management Fee	3%	-	-	(41,907)	(43,164)	(44,459)
Replacement Reserves	5%	-	-	(69,845)	(71,940)	(74,088)
OPERATING COSTS, RETAIL	\$ (1,754,852)	\$ -	\$ -	\$ (1,495,472)	\$ (127,773)	\$ (131,606)
NET REVENUE, RETAIL	\$ 2,562,822	\$ -	\$ -	\$ (98,574)	\$ 1,311,032	\$ 1,350,363
CAPITALIZED VALUE, RETAIL						
TOTAL REVENUE, RETAIL	\$ 20,567,665	\$ -	\$ -	\$ (98,574)	\$ 1,311,032	\$ 18,004,843
GRAND TOTAL REVENUE	\$ 46,186,212	\$ -	\$ -	\$ 13,681,016	\$ 2,018,077	\$ 30,487,119
COSTS						
TIMING OF COSTS						
Hard Costs (including Site Mitigation/Parking)	100%	0%	20%	40%	40%	0%
Soft Costs	100%	10%	25%	35%	30%	0%
Marketing Costs	100%	0%	40%	35%	25%	0%
HARD COSTS						
Total Site Costs	\$ 291,626	\$ (311,297)	\$ (123,755)	\$ (127,467)	\$ -	\$ -
Construction	\$ 22,045,359	\$ (23,532,337)	\$ (9,355,169)	\$ (9,635,824)	\$ -	\$ -
Parking	\$ 5,351,000	\$ (5,711,929)	\$ (2,270,750)	\$ (2,338,873)	\$ -	\$ -
TOTAL HARD COSTS	\$ 27,687,986	\$ (29,555,563)	\$ (11,749,674)	\$ (12,102,164)	\$ -	\$ -
Plus Contingency 5%	\$ (1,477,778)	\$ -	\$ (587,484)	\$ (605,108)	\$ -	\$ -
TOTAL HARD COSTS PLUS CONTINGENCY	\$ (31,033,341)	\$ -	\$ (5,988,911)	\$ (12,337,157)	\$ (12,707,272)	\$ -

NEWLAND COMMUNITIES

Appendix 6A

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 3: RENTAL APARTMENTS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	TOTAL	2007 YEAR 0	2008 YEAR 1	2009 YEAR 2	2010 YEAR 3	2011 YEAR 4	2012 YEAR 5
SOFT COSTS							
Engineering and Architecture	\$ (1,182,223)	\$ -	\$ (228,149)	\$ (469,987)	\$ (484,087)	\$ -	\$ -
Residential Marketing (Incl. Commissions)	\$ (785,588)	\$ -	\$ (314,235)	\$ (274,956)	\$ (196,397)	\$ -	\$ -
Legal Fees	\$ (295,556)	\$ -	\$ (57,037)	\$ (117,497)	\$ (121,022)	\$ -	\$ -
Insurance and Warranty	\$ (295,556)	\$ -	\$ (57,037)	\$ (117,497)	\$ (121,022)	\$ -	\$ -
Development Fee	\$ (591,111)	\$ -	\$ (114,075)	\$ (234,993)	\$ (242,043)	\$ -	\$ -
Contingency	\$ (94,501)	\$ -	\$ (23,116)	\$ (36,448)	\$ (34,937)	\$ -	\$ -
TOTAL SOFT COSTS	\$ (3,150,033)	\$ -	\$ (770,533)	\$ (1,214,930)	\$ (1,164,570)	\$ -	\$ -
Land	\$ (845,105)	\$ -	\$ (845,105)	\$ -	\$ -	\$ -	\$ -
TOTAL COSTS	\$ (35,028,479)	\$ -	\$ (7,604,550)	\$ (13,552,087)	\$ (13,871,842)	\$ -	\$ -
TOTAL REVENUE	\$ 46,186,212	\$ -	\$ -	\$ -	\$ 13,681,016	\$ 2,018,077	\$ 30,487,119
TOTAL COSTS	\$ (35,028,479)	\$ -	\$ (7,604,550)	\$ (13,552,087)	\$ (13,871,842)	\$ -	\$ -
TOTAL NET REVENUE	\$ 11,157,733	\$ -	\$ (7,604,550)	\$ (13,552,087)	\$ (190,827)	\$ 2,018,077	\$ 30,487,119
<i>Cumulative Net Revenue</i>	\$ 11,157,733	\$ -	\$ (7,604,550)	\$ (21,156,637)	\$ (21,347,463)	\$ (19,329,386)	\$ 11,157,733
Beginning Balance	\$ -	\$ -	\$ -	\$ 6,692,004	\$ 19,287,041	\$ 21,383,672	\$ 21,503,962
Loan Draw	\$ 17,077,971	\$ -	\$ 6,083,640	\$ 10,841,670	\$ 152,661	\$ -	\$ -
Interest	\$ 8,594,465	\$ -	\$ 608,364	\$ 1,753,367	\$ 1,943,970	\$ 2,138,367	\$ 2,150,396
Repayment	\$ (25,672,436)	\$ -	\$ -	\$ -	\$ -	\$ (2,018,077)	\$ (23,654,359)
Ending Balance	\$ -	\$ -	\$ 6,692,004	\$ 19,287,041	\$ 21,383,672	\$ 21,503,962	\$ -
LEVERAGED CASH FLOW	\$ 2,563,268	\$ -	\$ (1,520,910)	\$ (2,710,417)	\$ (38,165)	\$ -	\$ 6,832,761
EQUITY OUTSTANDING AT YEAR END	\$ -	\$ -	\$ (1,520,910)	\$ (4,231,327)	\$ (4,269,493)	\$ (4,269,493)	\$ 2,563,268
UNLEVERAGED IRR	14%						
LEVERAGED IRR	15%						
TOTAL PROJECT NPV	\$ (0)						
NPV @ 15%	\$ (0)						

NEULAND COMMUNITIES

Appendix 6B

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 4: RENTAL APARTMENTS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	2007	2008	2009	2010	2011	2012
	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CONSTRAINTS/ASSUMPTIONS						
Price Escalation	0.0%	3.5%	7.1%	10.9%	14.8%	18.8%
Annual Cost Escalation	0.0%	3.0%	6.1%	9.3%	12.6%	15.9%
UNIT ABSORPTION (END USER SALES)						
Product Type	Total					
	Units					
Tower Homes	0	0	0	0	0	0
Live/Work Courtyard w/Garage	0	0	0	0	0	0
Live/Work w/ Garage (24' or 22')	0	0	0	0	0	0
Live/Work w/o Garage (24' or 22')	12	6	6	0	0	0
Liner Townhomes (24'X30')	0	0	0	0	0	0
Townhome Integral Garage (22'X40')	1	1	0	0	0	0
Townhome Detached Garage (22'X40')	13	13	0	0	0	0
Townhome Small Integral Garage (18'X38')	0	0	0	0	0	0
MPDU Townhome Small Integral Garage (18'X36')	3	3	0	0	0	0
Duplex Condo Over Retail (15'X50' or 60')	0	0	0	0	0	0
MPDU Condo Over Retail (15'X50' or 60')	0	0	0	0	0	0
Duplex Rental Over Retail (15'X50' or 60')	16	9	7	0	0	0
MPDU Rental Over Retail (15'X50' or 60')	3	3	0	0	0	0
TOTAL ABSORPTION	48	35	13	0	0	0
UNIT ABSORPTION (CLOSINGS)						
Product Type	Total					
	Units					
Tower Homes	0	0	0	0	0	0
Live/Work Courtyard w/Garage	0	0	0	0	0	0
Live/Work w/ Garage (24' or 22')	0	0	0	0	0	0
Live/Work w/o Garage (24' or 22')	12	0	0	12	0	0
Liner Townhomes (24'X30')	0	0	0	0	0	0
Townhome Integral Garage (22'X40')	1	0	0	1	0	0
Townhome Detached Garage (22'X40')	13	0	0	13	0	0
Townhome Small Integral Garage (18'X38')	0	0	0	0	0	0
MPDU Townhome Small Integral Garage (18'X36')	3	0	0	3	0	0
Duplex Condo Over Retail (15'X50' or 60')	0	0	0	0	0	0
MPDU Condo Over Retail (15'X50' or 60')	0	0	0	0	0	0
Duplex Rental Over Retail (15'X50' or 60')	16	0	0	16	0	0
MPDU Rental Over Retail (15'X50' or 60')	3	0	0	3	0	0
TOTAL ABSORPTION	48	0	0	48	0	0

NEWLAND COMMUNITIES

Appendix 6B

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 4: RENTAL APARTMENTS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

		2007	2008	2009	2010	2011	2012
	TOTAL	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RESIDENTIAL REVENUES							
		<u>Avg. Price/sf</u>	<u>Avg. Unit Price</u>				
Tower Homes		\$300	\$750,000				
Live/Work Courtyard w/Garage		\$350	\$875,000				
Live/Work w/ Garage (24' or 22')		\$370	\$850,000				
Live/Work w/o Garage (24' or 22')		\$344	\$825,000				
Liner Townhomes (24'X30')		\$242	\$532,000		10,425,814		
Townhome Integral Garage (22'X40')		\$246	\$516,000				
Townhome Detached Garage (22'X40')		\$235	\$563,000		534,060		
Townhome Small Integral Garage (18'X38')		\$264	\$422,400		7,575,165		
MPDU Townhome Small Integral Garage (18'X36')		\$225	\$292,000			906,660	
Duplex Condo Over Retail (15'X50' or 60')		\$272	\$354,000				
MPDU Condo Over Retail (15'X50' or 60')		\$237	\$237,000				
TOTAL REVENUE, FOR-SALE RESIDENTIAL			\$ 19,441,699		\$ 19,441,699		\$ -
RENTAL APARTMENT REVENUES							
Duplex Rental Over Retail (15'X50' or 60')	16		0	0	0	16	16
MPDU Rental Over Retail (15'X50' or 60')	3		0	0	0	3	3
Turnover Rate			0%	0%	0%	10%	10%
Duplex Rental Over Retail (15'X50' or 60')		1,300	0	0	20,800	20,800	20,800
MPDU Rental Over Retail (15'X50' or 60')		1,000	0	0	3,000	3,000	3,000
Annual Rent			1.00	1.03	1.06	1.09	1.13
Duplex Rental Over Retail (15'X50' or 60')		\$1.50	\$ 1,264,540		\$ 409,117	\$ 421,390	\$ 434,032
MPDU Rental Over Retail (15'X50' or 60')		\$1.10	\$ 133,749		\$ 43,272	\$ 44,570	\$ 45,907
Vacancy/Loss			(69,914)		(22,619)	(23,298)	(23,997)
Additional Revenue			69,914		22,619	23,298	23,997
TOTAL REVENUE, RENTAL APARTMENTS			\$ 1,398,289		\$ 452,389	\$ 465,961	\$ 479,939
COSTS							
Cost Escalation			3%		1.06	1.09	1.16
Rental Apartment Expenses		\$	7,500	\$ (481,295)	\$ -	\$ (155,714)	\$ (160,385)
OPERATING COSTS, RENTAL APARTMENTS			\$ (481,295)		\$ (155,714)	\$ (160,385)	\$ (165,197)
NET REVENUE, RENTAL APARTMENTS			\$ 916,994		\$ 296,675	\$ 305,576	\$ 314,743
CAPITALIZED VALUE, RENTAL APARTMENTS							
TOTAL REVENUE, RENTAL APARTMENTS			\$ 5,413,321		\$ 296,675	\$ 305,576	\$ 4,811,070
7.0% CAP RATE							
TOTAL REVENUE, RENTAL APARTMENTS			\$ 4,496,327		\$ 4,811,070		

NEWLAND COMMUNITIES

Appendix 6B

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 4: RENTAL APARTMENTS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	TOTAL	2007 YEAR 0	2008 YEAR 1	2009 YEAR 2	2010 YEAR 3	2011 YEAR 4	2012 YEAR 5
RETAIL REVENUES							
Retail GLA - Grocery	0	0	0	0	0	0	0
Retail GLA - In-line Retail	15,000	0	0	0	15,000	15,000	15,000
Total Retail GLA	0	0	0	0	15,000	15,000	15,000
Turnover Rate	0%	0%	0%	0%	0%	12%	12%
Turnover Space	0	0	0	0	0	1,800	1,800
Revenue Escalation	3%	1.00	1.03	1.06	1.09	1.13	1.16
Rent (NNN) - Grocery	\$ 30	\$ 30	\$ 31	\$ 32	\$ 33	\$ 34	\$ 35
Rent (NNN) - In-line Retail	\$ 40	\$ 40	\$ 41	\$ 42	\$ 44	\$ 45	\$ 46
Rent (NNN) - Blended	\$ 40	\$ 40	\$ 41	\$ 42	\$ 44	\$ 45	\$ 46
Revenue	\$ -	\$ -	\$ -	\$ -	\$ 655,636	\$ 675,305	\$ 695,564
Vacancy/Loss	\$ -	\$ -	\$ -	\$ -	\$ (30,159)	\$ (31,064)	\$ (31,996)
REVENUE AFTER VACANCY, RETAIL	\$ 1,933,287	\$ -	\$ -	\$ -	\$ 625,477	\$ 644,241	\$ 663,568
COSTS							
Cost Escalation	3%	1.00	1.03	1.06	1.09	1.13	1.16
Leasing Costs	7%	\$ -	\$ -	\$ -	\$ (45,895)	\$ (5,673)	\$ (5,843)
Tenant Improvements (Grocery)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tenant Improvements (In-line Retail)	\$ 35	\$ -	\$ -	\$ -	\$ (573,682)	\$ -	\$ -
Management Fee	3%	\$ -	\$ -	\$ -	\$ (18,764)	\$ (19,327)	\$ (19,907)
Replacement Reserves	5%	\$ -	\$ -	\$ -	\$ (31,274)	\$ (32,212)	\$ (33,178)
RETAIL OPERATING COSTS	\$ (785,754)	\$ -	\$ -	\$ -	\$ (669,614)	\$ (57,212)	\$ (58,928)
NET REVENUE, RETAIL	\$ 1,147,532	\$ -	\$ -	\$ -	\$ (44,137)	\$ 587,029	\$ 604,640
CAPITALIZED VALUE, RETAIL							
TOTAL REVENUE, RETAIL	\$ 9,209,402	\$ -	\$ -	\$ -	\$ (44,137)	\$ 587,029	\$ 8,666,510
GRAND TOTAL REVENUE	\$ 34,064,422	\$ -	\$ -	\$ -	\$ 19,694,237	\$ 892,605	\$ 13,477,581
7.5% CAP RATE							
TOTAL HARD COSTS	\$ 18,571,096	\$ (19,823,731)	\$ (3,825,646)	\$ (7,880,830)	\$ (6,117,255)	\$ -	\$ -
Plus Contingency 5%	\$ -	\$ (991,187)	\$ (191,282)	\$ (394,042)	\$ (405,863)	\$ -	\$ -
TOTAL HARD COSTS PLUS CONTINGENCY	\$ (20,814,918)	\$ (4,016,928)	\$ (8,274,872)	\$ (8,523,118)	\$ (8,523,118)	\$ -	\$ -
TIMING OF COSTS							
Hard Costs (Including Site Mitigation/Parking)	100%	0%	20%	40%	40%	0%	0%
Soft Costs	100%	10%	25%	35%	30%	0%	0%
Marketing Costs	100%	0%	40%	35%	25%	0%	0%
HARD COSTS							
Total Site Costs	\$ 130,579	\$ (139,387)	\$ (26,899)	\$ (55,412)	\$ (57,075)	\$ -	\$ -
Construction	\$ 17,013,517	\$ (18,161,092)	\$ (3,504,785)	\$ (7,219,856)	\$ (7,436,452)	\$ -	\$ -
Parking	\$ 1,427,000	\$ (1,523,252)	\$ (293,962)	\$ (605,562)	\$ (623,729)	\$ -	\$ -
TOTAL HARD COSTS	\$ 18,571,096	\$ (19,823,731)	\$ (3,825,646)	\$ (7,880,830)	\$ (6,117,255)	\$ -	\$ -
Plus Contingency 5%	\$ -	\$ (991,187)	\$ (191,282)	\$ (394,042)	\$ (405,863)	\$ -	\$ -
TOTAL HARD COSTS PLUS CONTINGENCY	\$ (20,814,918)	\$ (4,016,928)	\$ (8,274,872)	\$ (8,523,118)	\$ (8,523,118)	\$ -	\$ -

NEWLAND COMMUNITIES

Appendix 6B

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 4: RENTAL APARTMENTS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	TOTAL	2007 YEAR 0	2008 YEAR 1	2009 YEAR 2	2010 YEAR 3	2011 YEAR 4	2012 YEAR 5
SOFT COSTS							
Engineering and Architecture	\$ (792,949)	\$ -	\$ (153,026)	\$ (315,233)	\$ (324,690)	\$ -	\$ -
Residential Marketing (Incl. Commissions)	\$ (1,166,502)	\$ -	\$ (466,601)	\$ (408,276)	\$ (291,625)	\$ -	\$ -
Legal Fees	\$ (198,237)	\$ -	\$ (38,256)	\$ (78,808)	\$ (81,173)	\$ -	\$ -
Insurance and Warranty	\$ (198,237)	\$ -	\$ (38,256)	\$ (78,808)	\$ (81,173)	\$ -	\$ -
Development Fee	\$ (396,475)	\$ -	\$ (76,513)	\$ (157,617)	\$ (162,345)	\$ -	\$ -
Contingency	\$ (82,572)	\$ -	\$ (23,180)	\$ (31,162)	\$ (28,230)	\$ -	\$ -
TOTAL SOFT COSTS	\$ (2,752,400)	\$ -	\$ (772,652)	\$ (1,038,742)	\$ (941,006)	\$ -	\$ -
Land	\$ (3,204,554)	\$ -	\$ (3,204,554)	\$ -	\$ -	\$ -	\$ -
TOTAL COSTS	\$ (26,771,872)	\$ -	\$ (7,994,134)	\$ (9,313,614)	\$ (9,464,124)	\$ -	\$ -
TOTAL REVENUE	\$ 34,064,422	\$ -	\$ -	\$ -	\$ 19,694,237	\$ 892,605	\$ 13,477,581
TOTAL COSTS	\$ (26,771,872)	\$ -	\$ (7,994,134)	\$ (9,313,614)	\$ (9,464,124)	\$ -	\$ -
TOTAL NET REVENUE	\$ 7,292,550	\$ -	\$ (7,994,134)	\$ (9,313,614)	\$ 10,230,113	\$ 892,605	\$ 13,477,581
<i>Cumulative Net Revenue</i>	\$ 7,292,550	\$ -	\$ (7,994,134)	\$ (17,307,748)	\$ (7,077,635)	\$ (6,185,030)	\$ 7,292,550
Beginning Balance	\$ -	\$ -	\$ -	\$ 7,034,838	\$ 15,934,302	\$ 7,297,619	\$ 7,134,776
Loan Draw	\$ 13,846,198	\$ -	\$ 6,395,307	\$ 7,450,891	\$ -	\$ -	\$ -
Interest	\$ 5,124,773	\$ -	\$ 639,531	\$ 1,448,573	\$ 1,593,430	\$ 729,762	\$ 713,478
Repayment	\$ (18,970,972)	\$ -	\$ -	\$ -	\$ (10,230,113)	\$ (892,605)	\$ (7,848,254)
Ending Balance	\$ -	\$ -	\$ 7,034,838	\$ 15,934,302	\$ 7,297,619	\$ 7,134,776	\$ -
LEVERAGED CASH FLOW	\$ 2,167,777	\$ -	\$ (1,598,827)	\$ (1,862,723)	\$ -	\$ -	\$ 5,629,327
EQUITY OUTSTANDING AT YEAR END	\$ -	\$ -	\$ (1,598,827)	\$ (3,461,550)	\$ (3,461,550)	\$ (3,461,550)	\$ 2,167,777
UNLEVERAGED IRR							
LEVERAGED IRR							
TOTAL PROJECT NPV	15%						
NPV @ 15%	15%						
TOTAL PROJECT NPV	15%	\$ (0)					

NEWLAND COMMUNITIES

Appendix 6C

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 5: RENTAL APARTMENTS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	TOTAL	2007 YEAR 0	2008 YEAR 1	2009 YEAR 2	2010 YEAR 3	2011 YEAR 4	2012 YEAR 5
CONSTRAINTS/ASSUMPTIONS							
Price Escalation	3.5%	0.0%	3.5%	7.1%	10.9%	14.8%	18.8%
Annual Cost Escalation	3.0%	0.0%	3.0%	6.1%	9.3%	12.6%	15.9%
UNIT ABSORPTION (END USER SALES)							
Product Type	Total Units						
Tower Homes	0	0	0	0	0	0	0
Live/Work Courtyard w/Garage	9	0	5	4	0	0	0
Live/Work w/ Garage (24' or 22')	0	0	0	0	0	0	0
Live/Work w/o Garage (24' or 22')	0	0	0	0	0	0	0
Liner Townhomes (24'X30')	12	0	12	0	0	0	0
Townhome Integral Garage (22'x40')	0	0	0	0	0	0	0
Townhome Detached Garage (22'X40')	0	0	0	0	0	0	0
Townhome Small Integral Garage (18'X38')	0	0	0	0	0	0	0
MPDU Townhome Small Integral Garage (18'X36')	0	0	0	0	0	0	0
Duplex Condo Over Retail (15'X50' or 60')	0	0	0	0	0	0	0
MPDU Condo Over Retail (15'X50' or 60')	0	0	0	0	0	0	0
Duplex Rental Over Retail (15'X50' or 60')	37	0	20	17	0	0	0
MPDU Rental Over Retail (15'X50' or 60')	7	0	7	0	0	0	0
TOTAL ABSORPTION	65	0	44	21	0	0	0
UNIT ABSORPTION (CLOSINGS)							
Product Type	Total Units						
Tower Homes	0	0	0	0	0	0	0
Live/Work Courtyard w/Garage	9	0	0	0	0	0	0
Live/Work w/ Garage (24' or 22')	0	0	0	0	0	0	0
Live/Work w/o Garage (24' or 22')	0	0	0	0	0	0	0
Liner Townhomes (24'X30')	12	0	0	0	12	0	0
Townhome Integral Garage (22'x40')	0	0	0	0	0	0	0
Townhome Detached Garage (22'X40')	0	0	0	0	0	0	0
Townhome Small Integral Garage (18'X38')	0	0	0	0	0	0	0
MPDU Townhome Small Integral Garage (18'X36')	0	0	0	0	0	0	0
Duplex Condo Over Retail (15'X50' or 60')	0	0	0	0	0	0	0
MPDU Condo Over Retail (15'X50' or 60')	0	0	0	0	0	0	0
Duplex Rental Over Retail (15'X50' or 60')	37	0	0	0	37	0	0
MPDU Rental Over Retail (15'X50' or 60')	7	0	0	0	7	0	0
TOTAL ABSORPTION	65	0	0	0	65	0	0

NEWLAND COMMUNITIES

Appendix 6C

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 5: RENTAL APARTMENTS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

		2007	2008	2009	2010	2011	2012
	TOTAL	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
RESIDENTIAL REVENUES							
	Avg. Price/Ft.	Avg. Unit Price					
Tower Homes	\$300	\$750,000	\$ -	\$ -	\$ -	\$ -	\$ -
Live/Work Courtyard w/Garage	\$350	\$875,000	\$ -	\$ -	\$ 8,277,413	\$ -	\$ -
Live/Work w/ Garage (24' or 22')	\$370	\$850,000	\$ -	\$ -	\$ -	\$ -	\$ -
Live/Work w/o Garage (24' or 22')	\$344	\$825,000	\$ -	\$ -	\$ -	\$ -	\$ -
Liner Townhomes (24'X30')	\$242	\$532,000	\$ -	\$ -	\$ 6,607,440	\$ -	\$ -
Townhome Integral Garage (22'x40')	\$246	\$516,000	\$ -	\$ -	\$ -	\$ -	\$ -
Townhome Detached Garage (22'x40')	\$235	\$563,000	\$ -	\$ -	\$ -	\$ -	\$ -
Townhome Small Integral Garage (18'X38')	\$264	\$422,400	\$ -	\$ -	\$ -	\$ -	\$ -
MPDU Townhome Small Integral Garage (18'X36')	\$225	\$292,000	\$ -	\$ -	\$ -	\$ -	\$ -
Duplex Condo Over Retail (15'X50' or 60')	\$272	\$354,000	\$ -	\$ -	\$ -	\$ -	\$ -
MPDU Condo Over Retail (15'X50' or 60')	\$237	\$237,000	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE, FOR-SALE RESIDENTIAL		\$ 14,884,853	\$ -	\$ -	\$ 14,884,853	\$ -	\$ -
RENTAL APARTMENT REVENUES							
Duplex Rental Over Retail (15'X50' or 60')	37	0	0	0	0	37	37
MPDU Rental Over Retail (15'X50' or 60')	7	0	0	0	0	7	7
Turnover Rate		0%	0%	0%	0%	10%	10%
Duplex Rental Over Retail (15'X50' or 60')		1,300	0	0	0	48,100	48,100
MPDU Rental Over Retail (15'X50' or 60')		1,000	0	0	0	7,000	7,000
Annual Rent		3%	1.03	1.06	1.09	1.13	1.16
Duplex Rental Over Retail (15'X50' or 60')	\$1.50	\$ 2,924,248	\$ -	\$ -	\$ 946,083	\$ 974,466	\$ 1,003,699
MPDU Rental Over Retail (15'X50' or 60')	\$1.10	\$ 312,082	\$ -	\$ -	\$ 100,968	\$ 103,997	\$ 107,117
Vacancy/Loss		(161,816)	\$ -	\$ -	(52,353)	(53,923)	(55,541)
Additional Revenue		5%	\$ -	\$ -	\$ 52,353	\$ 53,923	\$ 55,541
TOTAL REVENUE, RENTAL APARTMENTS		\$ 3,236,330	\$ -	\$ -	\$ 1,047,051	\$ 1,078,463	\$ 1,110,816
COSTS							
Cost Escalation		3%	1.03	1.06	1.09	1.13	1.16
Rental Apartment Expenses	\$	\$ 7,500	\$ -	\$ -	\$ (360,600)	\$ (371,418)	\$ (382,560)
OPERATING COSTS, RENTAL APARTMENTS		\$ (1,114,578)	\$ -	\$ -	\$ (360,600)	\$ (371,418)	\$ (382,560)
NET REVENUE, RENTAL APARTMENTS		\$ 2,121,752	\$ -	\$ -	\$ 686,451	\$ 707,045	\$ 728,256
CAPITALIZED VALUE, RENTAL APARTMENTS		7.0% CAP RATE	\$ -	\$ -	\$ -	\$ -	\$ 10,403,657
TOTAL REVENUE, RENTAL APARTMENTS		\$ 12,525,408	\$ -	\$ -	\$ 686,451	\$ 707,045	\$ 11,131,913

NEWLAND COMMUNITIES

Appendix 6C

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 5: RENTAL APARTMENTS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	2007	2008	2009	2010	2011	2012
	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL						
RETAIL REVENUES						
Retail GLA - Grocery	56,000	0	0	56,000	56,000	56,000
Retail GLA - In-line Retail	28,500	0	0	28,500	28,500	28,500
Total Retail GLA	0	0	0	84,500	84,500	84,500
Turnover Rate	0%	0%	0%	0%	12%	12%
Turnover Space	0	0	0	0	10,140	10,140
Revenue Escalation	1.00	1.03	1.06	1.09	1.13	1.16
Rent (NNN) - Grocery	\$ 30	\$ 31	\$ 32	\$ 33	\$ 34	\$ 35
Rent (NNN) - In-line Retail	\$ 40	\$ 41	\$ 42	\$ 44	\$ 45	\$ 46
Rent (NNN) - Blended	\$ 33	\$ 34	\$ 35	\$ 36	\$ 38	\$ 39
Revenue	\$ -	\$ -	\$ -	\$ 3,081,490	\$ 3,173,935	\$ 3,269,153
Vacancy/Loss	\$ -	\$ -	\$ -	\$ (141,749)	\$ (146,001)	\$ (150,381)
REVENUE AFTER VACANCY, RETAIL	\$ 9,086,447	\$ -	\$ -	\$ 2,939,742	\$ 3,027,934	\$ 3,118,772
COSTS						
Cost Escalation	1.00	1.03	1.06	1.09	1.13	1.16
Leasing Costs	3%	\$ -	\$ -	\$ (215,704)	\$ (26,661)	\$ (27,461)
Tenant Improvements (Grocery)	7%	\$ -	\$ -	\$ -	\$ -	\$ -
Tenant Improvements (In-line Retail)	\$ -	\$ -	\$ -	\$ (1,089,995)	\$ -	\$ -
Management Fee	35	\$ -	\$ -	\$ (88,192)	\$ (90,638)	\$ (93,563)
Replacement Reserves	3%	\$ -	\$ -	\$ (146,987)	\$ (151,397)	\$ (155,939)
	5%	\$ -	\$ -	\$ (1,540,879)	\$ (268,896)	\$ (276,963)
RETAIL OPERATING COSTS	\$ (2,086,737)	\$ -	\$ -	\$ 1,398,863	\$ 2,759,038	\$ 2,841,809
NET REVENUE, RETAIL	\$ 6,999,710	\$ -	\$ -	\$ 1,540,879	\$ 2,759,038	\$ 2,841,809
CAPITALIZED VALUE - RETAIL						
TOTAL REVENUE, RETAIL	\$ 44,890,500	\$ -	\$ -	\$ 1,398,863	\$ 2,759,038	\$ 37,890,790
GRAND TOTAL REVENUE	\$ 72,300,761	\$ -	\$ -	\$ 16,970,166	\$ 3,466,083	\$ 51,864,512
7.5% CAP RATE						
COSTS						
TIMING OF COSTS						
Hard Costs (including Site Mitigation/Parking)	100%	0%	20%	40%	40%	0%
Soft Costs	100%	10%	25%	35%	30%	0%
Marketing Costs	100%	0%	40%	35%	25%	0%
HARD COSTS						
Total Site Costs	\$ 735,595	\$ (151,533)	\$ (312,157)	\$ (321,522)	\$ -	\$ -
Construction	\$ 27,289,845	\$ (5,621,708)	\$ (11,580,719)	\$ (11,928,140)	\$ -	\$ -
Parking	\$ 9,793,000	\$ (2,017,358)	\$ (4,155,757)	\$ (4,280,430)	\$ -	\$ -
TOTAL HARD COSTS	\$ 37,818,440	\$ (7,790,599)	\$ (16,048,633)	\$ (16,530,092)	\$ -	\$ -
Plus Contingency 5%	\$ (2,018,466)	\$ (389,530)	\$ (802,432)	\$ (826,505)	\$ -	\$ -
TOTAL HARD COSTS PLUS CONTINGENCY	\$ (42,387,790)	\$ (8,180,128)	\$ (16,851,065)	\$ (17,356,597)	\$ -	\$ -

NEWLAND COMMUNITIES

Appendix 6C

RESIDUAL LAND VALUE ANALYSIS OF BLOCK 5: RENTAL APARTMENTS OVER RETAIL CLARKSBURG TOWN CENTER; MONTGOMERY COUNTY, MD FEBRUARY 2007

	TOTAL	2007 YEAR 0	2008 YEAR 1	2009 YEAR 2	2010 YEAR 3	2011 YEAR 4	2012 YEAR 5
SOFT COSTS							
Engineering and Architecture	\$ (1,614,773)	\$ -	\$ (311,624)	\$ (641,945)	\$ (661,204)	\$ -	\$ -
Residential Marketing (Incl. Commissions)	\$ (893,091)	\$ -	\$ (357,236)	\$ (312,582)	\$ (223,273)	\$ -	\$ -
Legal Fees	\$ (403,693)	\$ -	\$ (77,906)	\$ (160,486)	\$ (165,301)	\$ -	\$ -
Insurance and Warranty	\$ (403,693)	\$ -	\$ (77,906)	\$ (160,486)	\$ (165,301)	\$ -	\$ -
Development Fee	\$ (807,386)	\$ -	\$ (155,812)	\$ (320,973)	\$ (330,602)	\$ -	\$ -
Contingency	\$ (123,679)	\$ -	\$ (29,415)	\$ (47,894)	\$ (46,370)	\$ -	\$ -
TOTAL SOFT COSTS	\$ (4,122,637)	\$ -	\$ (980,484)	\$ (1,596,473)	\$ (1,545,680)	\$ -	\$ -
Land	\$ (6,643,435)	\$ -	\$ (6,643,435)	\$ -	\$ -	\$ -	\$ -
TOTAL COSTS	\$ (53,153,862)	\$ -	\$ (15,804,048)	\$ (18,447,537)	\$ (18,902,277)	\$ -	\$ -
TOTAL REVENUE	\$ 72,300,761	\$ -	\$ -	\$ -	\$ 16,970,166	\$ 3,466,083	\$ 51,864,512
TOTAL COSTS	\$ (53,153,862)	\$ -	\$ (15,804,048)	\$ (18,447,537)	\$ (18,902,277)	\$ -	\$ -
TOTAL NET REVENUE	\$ 19,146,899	\$ -	\$ (15,804,048)	\$ (18,447,537)	\$ (1,932,110)	\$ 3,466,083	\$ 51,864,512
<i>Cumulative Net Revenue</i>	\$ 19,146,899	\$ -	\$ (15,804,048)	\$ (34,251,585)	\$ (36,183,695)	\$ (32,717,613)	\$ 19,146,899
Beginning Balance	\$ -	\$ -	\$ -	\$ 13,907,562	\$ 31,532,151	\$ 36,385,623	\$ 36,558,103
Loan Draw	\$ 28,946,956	\$ -	\$ 12,643,238	\$ 14,758,030	\$ 1,545,688	\$ -	\$ -
Interest	\$ 14,733,040	\$ -	\$ 1,264,324	\$ 2,866,559	\$ 3,307,784	\$ 3,638,562	\$ 3,655,810
Repayment	\$ (43,679,996)	\$ -	\$ -	\$ -	\$ -	\$ (3,466,083)	\$ (40,213,913)
Ending Balance	\$ -	\$ -	\$ 13,907,562	\$ 31,532,151	\$ 36,385,623	\$ 36,558,103	\$ -
LEVERAGED CASH FLOW	\$ 4,413,859	\$ -	\$ (3,160,810)	\$ (3,689,507)	\$ (386,422)	\$ -	\$ 11,650,598
EQUITY OUTSTANDING AT YEAR END	\$ -	\$ -	\$ (3,160,810)	\$ (6,850,317)	\$ (7,236,739)	\$ (7,236,739)	\$ 4,413,859

UNLEVERAGED IRR 14%
LEVERAGED IRR 15%

TOTAL PROJECT NPV 15% \$ 0