FT. TOTTEN SQUARE
INVESTMENT OPPORTUNITY

OCTOBER 20, 2008 **WASHINGTON, DC**

On behalf of Lowe Enterprises, Cassidy & Pinkard Colliers is seeking an investment partner willing to join in the development of Fort Totten Square, a large scale residential and retail property located near a strategic metro station in Washington, DC.

FORT TOTTEN SQUARE

WASHINGTON DC

MIXED USE DEVELOPMENT OPPORTUNITY

2008 BUSINESS PLAN
SOUTH DAKOTA HOLDINGS, LLC

OCTOBER 20, 2008 **WASHINGTON, DC**

Investment Opportunity

Lowe Enterprises controls Ft. Totten Square which is an 8.6 acre entitled site made up of three phases of development 1) South Site Phase I 2) South Site Phase II and 3) North Site (80/20). Lowe has spent the last two years assembling the land and completing the project design for the purpose of developing a transit-oriented, affordable-priced residential community centered on a grocery-anchored retail component and complemented by neighborhood retail goods and services as well as close Metro access to the Red, Green, and Yellow lines.

The Investment Highlights include the following:

- The existing 82% capital partner has expressed an interest in exiting the investment rather than proceeding with the development. However, they have expressed the willingness to keep a portion of their existing investment in the deal as mezzanine capital.

- Lowe has converted the largest phase of the project, the North Site, to an 80/20 tax exempt bond structure and has received an oral commitment from the Mayor's office to provide $10.5 million in subsidies.

- All three of the Phases can easily be developed separately with little impact on each other based on development schedules:

Phase	Equity Requirement	IRR	Equity Multiple
South Site - Phase I	[redacted]	[redacted]	[redacted]x
South Site - Phase II	[redacted]	[redacted]	[redacted]x
North Site (80/20)	[redacted]	[redacted]	[redacted]x

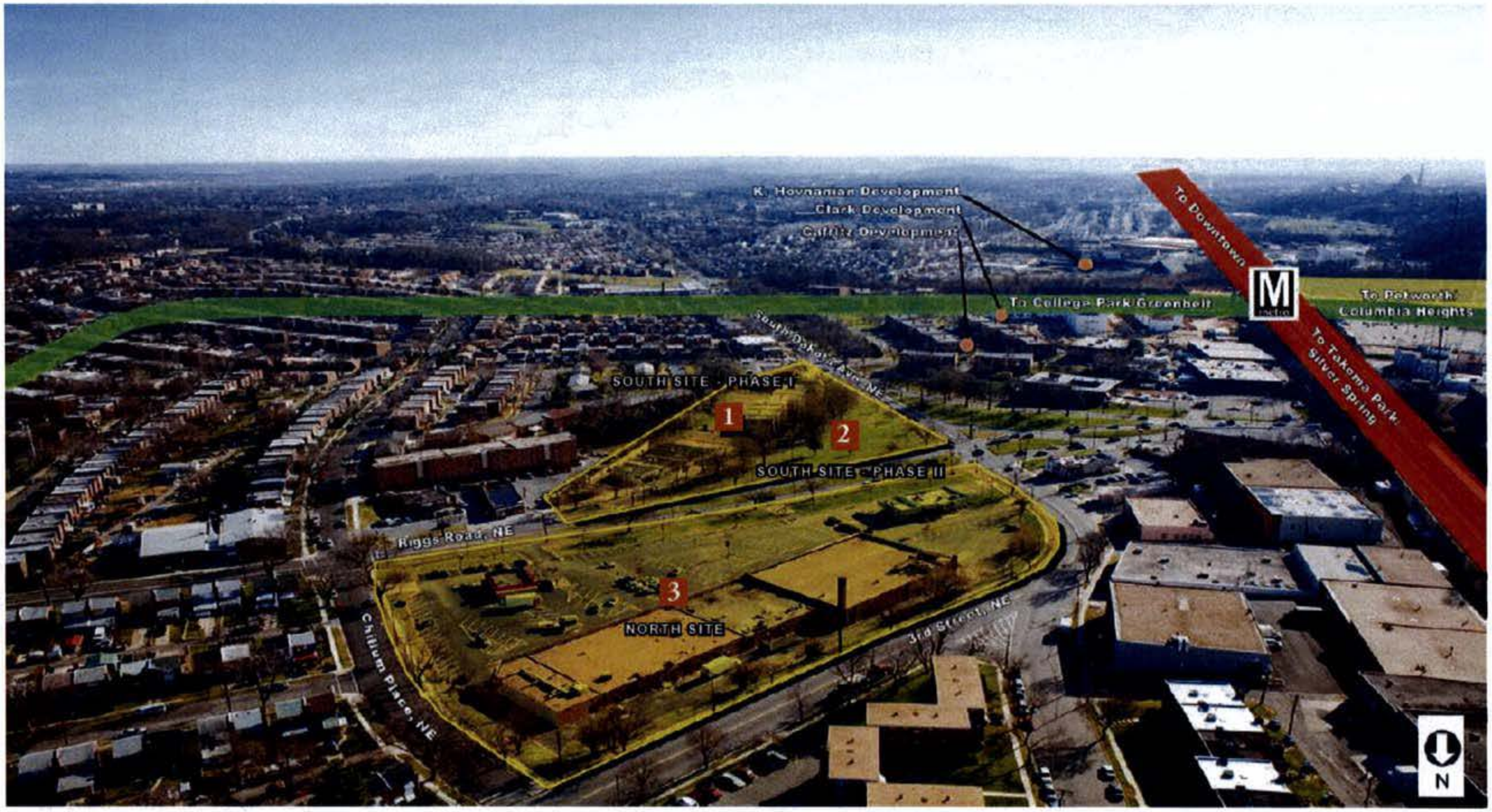
The Development Highlights include the following:

- The site represents a rare opportunity to develop a large mixed-use project in the District which takes advantage using the low cost development method of using wood frame construction over a concrete podium with no below grade structured parking. The combination of a low land basis with a cost effective design and construction type means this project can offer the lowest rental rates for a new project in the District which offers immediate access to both the metro and grocery anchored retail amenities.

- Intersection of Riggs Road and South Dakota Ave. is a major intersection which sees an average of over 35,000 car trips per day which will support major retail infrastructure at the site. The Ft. Totten neighborhood has one of the lowest crime rates of any metro-accessible neighborhood in the city, and is a major transportation hub offering 3 different metro lines, over 20 bus transfers, access to flex cars, and access to regional bike trail making Fort Totten Station a true transit oriented development.

2008 BUSINESS PLAN
SOUTH DAKOTA HOLDINGS, LLC

OCTOBER 20, 2008 **WASHINGTON, DC**



1. **South Site Phase I:** 172-unit multi-family residential apartment building.
2. **South Site Phase II:** 260-unit condominium building with 23,407 square feet of neighborhood retail.
3. **North Site:** 468-unit residential apartment building with 73,324 square feet of retail anchored by a 55,000 square foot grocery store.

2008 BUSINESS PLAN
SOUTH DAKOTA HOLDINGS, LLC

OCTOBER 20, 2008 **WASHINGTON, DC**

SOUTH SITE – PHASE I: FINANCIAL SUMMARY

Project Update

- Existing structures have been demolished
- Design and site plan approval process complete
- Building permit approval process place on hold

Planned Development		172 Residential Units
Total Project Cost		[redacted]
Capital Structure		
	Debt	[redacted]
	Equity	[redacted]
Project Start		As Early as July 2010
Leverage IRR		[redacted]
Equity Multiple		[redacted]x

SOUTH SITE – PHASE II: FINANCIAL SUMMARY

Project Update

- Awarded sole source negotiations with city for land acquisition
- Road alignment plan under review
- Expected to Sign LDA with City by November 3, 2008
- Site plan and design process not set to begin until 2010

Planned Development		260 Residential Units 23,407 SF Retail
Total Project Cost		[redacted]
Capital Structure		
	Debt	[redacted]
	Equity	[redacted]
Project Start		As Early as April 2011
Leverage IRR		[redacted]
Equity Multiple		[redacted]x

NORTH SITE (80/20): FINANCIAL SUMMARY

Project Update

- Lowe has applied to the DC Housing Finance agency for an allocation of approximately $112 million in bond financing for fiscal 2009. This financing would provide up to 80% of the development costs on the site in exchange for 20% affordable units. Lowe anticipates this financing would be provided at an interest rate as low as 6.00% for 30 years.
- Lowe is negotiating a term sheet with the Deputy Mayors offices for a subsidy package totaling $10 -12 MM to offset the loss of income on the 20% affordable component
- Letter of Intent with Shopper Food (SuperValue) has been signed.

Planned Development		468 Residential Units + 70,920 SF Grocery-Anchored Retail
Total Project Cost		[redacted]
Capital Structure		
	Debt	[redacted]
	Equity	[redacted]
	Subsidy	[redacted]
Project Start		As Early as June 2009
Leverage IRR		[redacted]
Equity Multiple		[redacted]x

2008 BUSINESS PLAN
SOUTH DAKOTA HOLDINGS, LLC

OCTOBER 20, 2008 **WASHINGTON, DC**