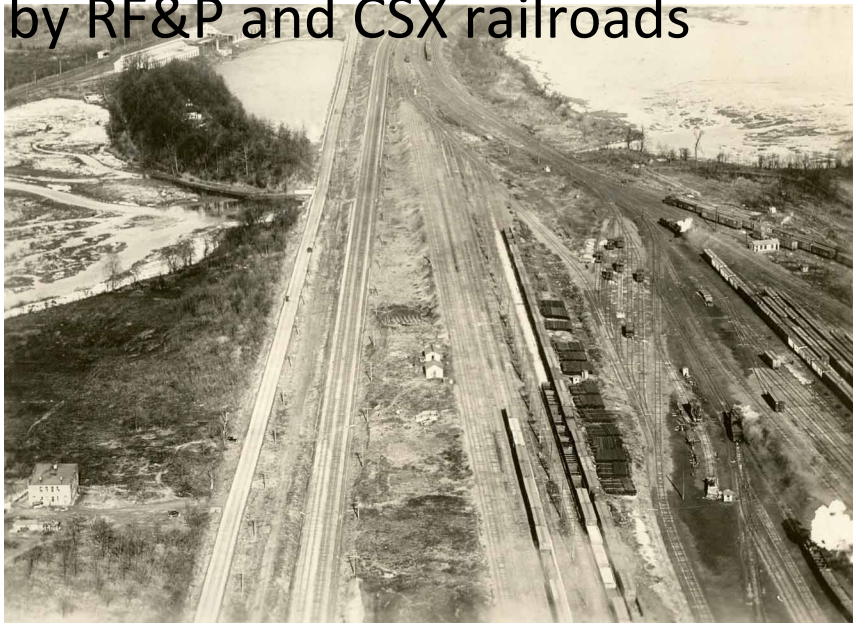


Potomac Yard

A TALE OF TWO MUNICIPALITIES

1842-1992 Potomac Yard was used as a rail transfer station by RF&P and CSX railroads



POTOMAC YARD Vicinity Map



POTOMAC YARD Big Picture Facts

SIZE:

300 acres, 4 miles long, 10 million square feet of entitlements, \$125 million purchase price

NEIGHBORS (some with sovereign – nation status):

The Pentagon (DOD), Regan National Airport (WMAA and FHA), George Washington Memorial Parkway (NPS, Metropolitan Washington Transit Authority (METRO), CSX Rail Road eastern corridor, U.S. Route 1 (VDOT), Four Mile Run (U.S. Army Corps of Engineers), Crystal City (Charles E. Smith Division of Vornado), Potomac Yard Retail Center, Arlington County Waste Water Pollution Control Plant

RECENT HISTORY: 1848 To Today

Richmond Fredericksburg and Potomac Railroad track and station

RF&P Rail switching yard

Army Corp flood control project – early 1980' s

Rail yard decommissioning – early 1990' s

Retail Center instead of Redskins Stadium – mid 1990' s

Alexandria Coordinated Development District (CDD) 1999

Arlington Phased Development Site Plan (PDSP) 2000

Crescent Acquisition, March 22, 2001

Pentagon Terrorist Attack, September 11, 2001

All of Arlington South Tract
With Four Mile Run's 4 bridges



Arlington
North Tract
Looking North to DC - wide





Alexandria
Land Bay A, I, J, & K
From Bridge looking Northeast

Alexandria
Retail Center from West Glebe Road North

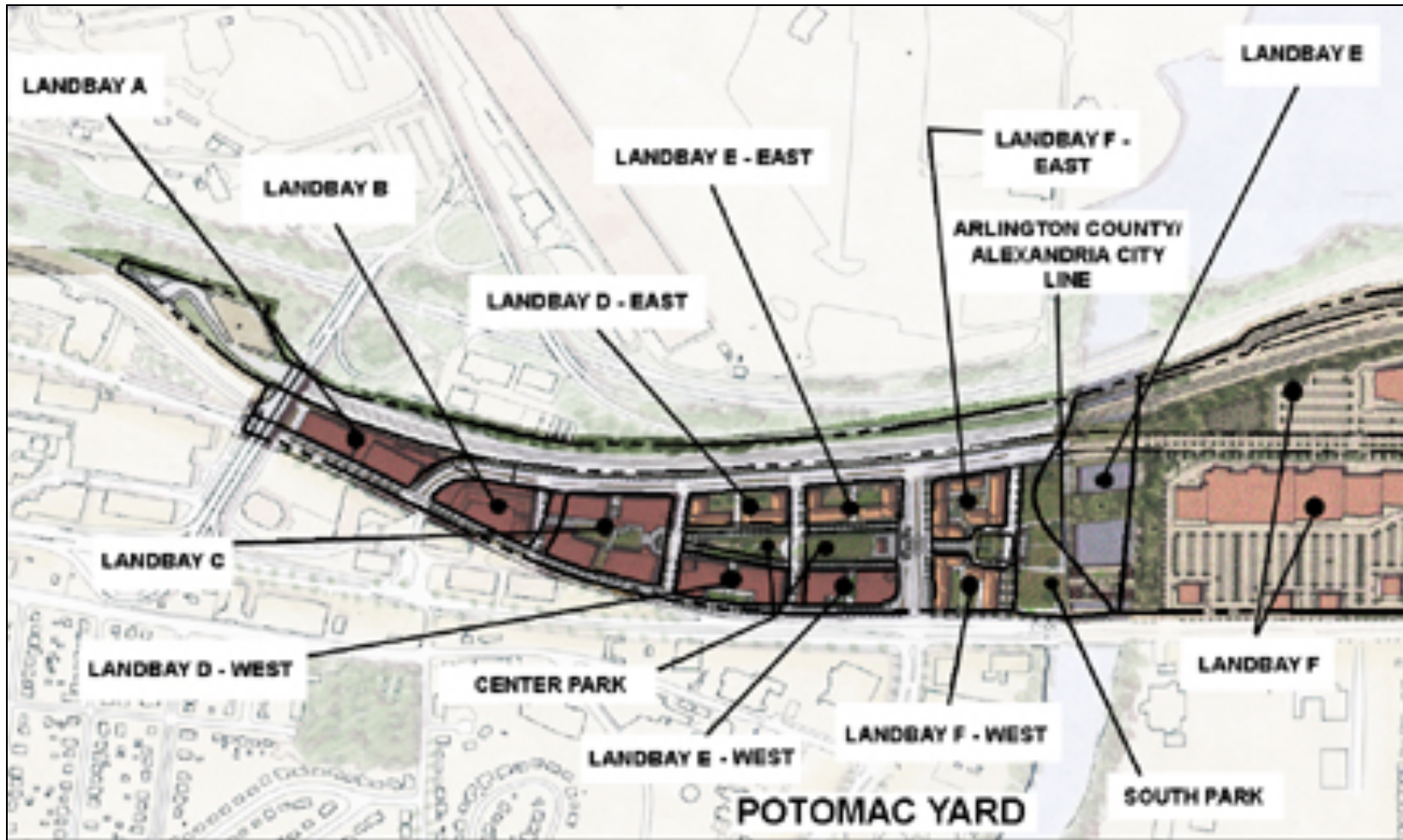


POTOMAC YARD A Tale of two municipalities

	ARLINGTON:	ALEXANDRIA:
SIZE:	88 Acres	212 Acres
OFFICE DENSITY:	2,900,000 SF	1,900,000 SF
RESIDENTIAL DENSITY:	1,000,000 SF	1,927,000 SF
RETAIL DENSITY:	60,000 SF	135,000 SF
HOTEL DENSITY:	469,835 SF	469,835 SF
NEIGHBORS:	Office Buildings and Hotels	Residential and Small Commercial
DIFFERENT SELF IMAGES & EXPECTATIONS:	Transit-oriented urban village <ul style="list-style-type: none"> • High Density • Majority Office 	Metro-based Old Town North <ul style="list-style-type: none"> • Low Density • Majority Residential
REGULATORY ENVIRONMENTS <small>(The same but different)</small>	<ul style="list-style-type: none"> • Phased Development Site Plan (PDP) • 4.1 Site Plan Approval 	<ul style="list-style-type: none"> • Coordinated Development District (CDD) • Special Use Permit (SUP)
NECESSARY FIRST STEPS	The North Tract Transfer (28 acres north of Crystal City encumbered by a Charles E. Smith law suit)	The Trunk Sewer Project (Potomac Yard to Water Treatment Plant)

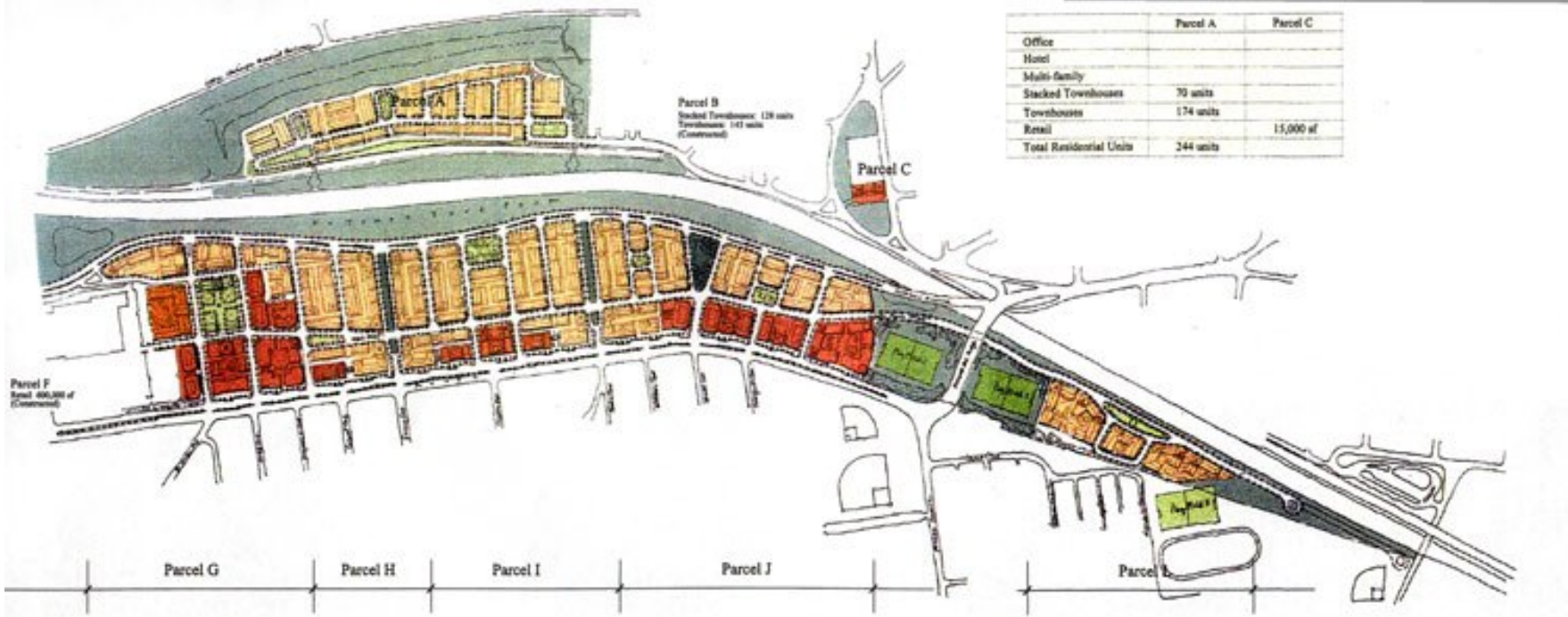
A TALE OF TWO MUNICIPALITIES

Land Bays at Potomac Yard – Arlington



A TALE OF TWO MUNICIPALITIES

Land Bays at Potomac Yard – Alexandria



THE ALEXANDRIA STORY

CRESCENT RESOURCES
LLC

THE ALEXANDRIA STORY Regulations & Permits

First things first; The Trunk Sewer Project (2001-2003)

CDD condition: no site plan approvals will be granted until a sanitary trunk sewer is constructed from Potomac Yard to the sanitary water treatment plant

THE ALEXANDRIA STORY

Trunk Sewer Project Quick Facts:

- Total completed cost \$12,100,000. Total initial budgeted cost \$13,000,000.
- The Potomac Yard Trunk Sewer includes 8,643 ft of 30” VCP (Vitrified Clay Pipe) and 2,500 ft of 27” PVC.
- The sewer ranges in depth from 22 feet to 42 feet deep below the surface.
- The sewer has approximately 25 feet elevation change between the start and termination point.
- The system consists of 24 vertical shafts that range in depth from 30-50 feet.
- The systems capacity was 12,000,000 GPD.
- Approximately one third was allocated to the Potomac Yard Development.
- Approximately one third was allocated to the City of Alexandria to accommodate excess city flows.
- The remaining third is for future expansion.
- Design began in June 2001.
- Permits issued by City of Alexandria, Virginia Department of Health, CSX Transportation, WMATA (Metro), and Alexandria Sanitation Authority (ASA) in March 2002.
- Construction began on March 15, 2002.
- Construction was completed January 2003.
- The City of Alexandria issued Notice of Acceptance in March of 2004.
- The project was awarded Trenchless Technology’s New Installation of the Year.

THE ALEXANDRIA STORY Infrastructure Trunk Sewer Installation



THE ALEXANDRIA STORY Infrastructure

Trunk Sewer Installation



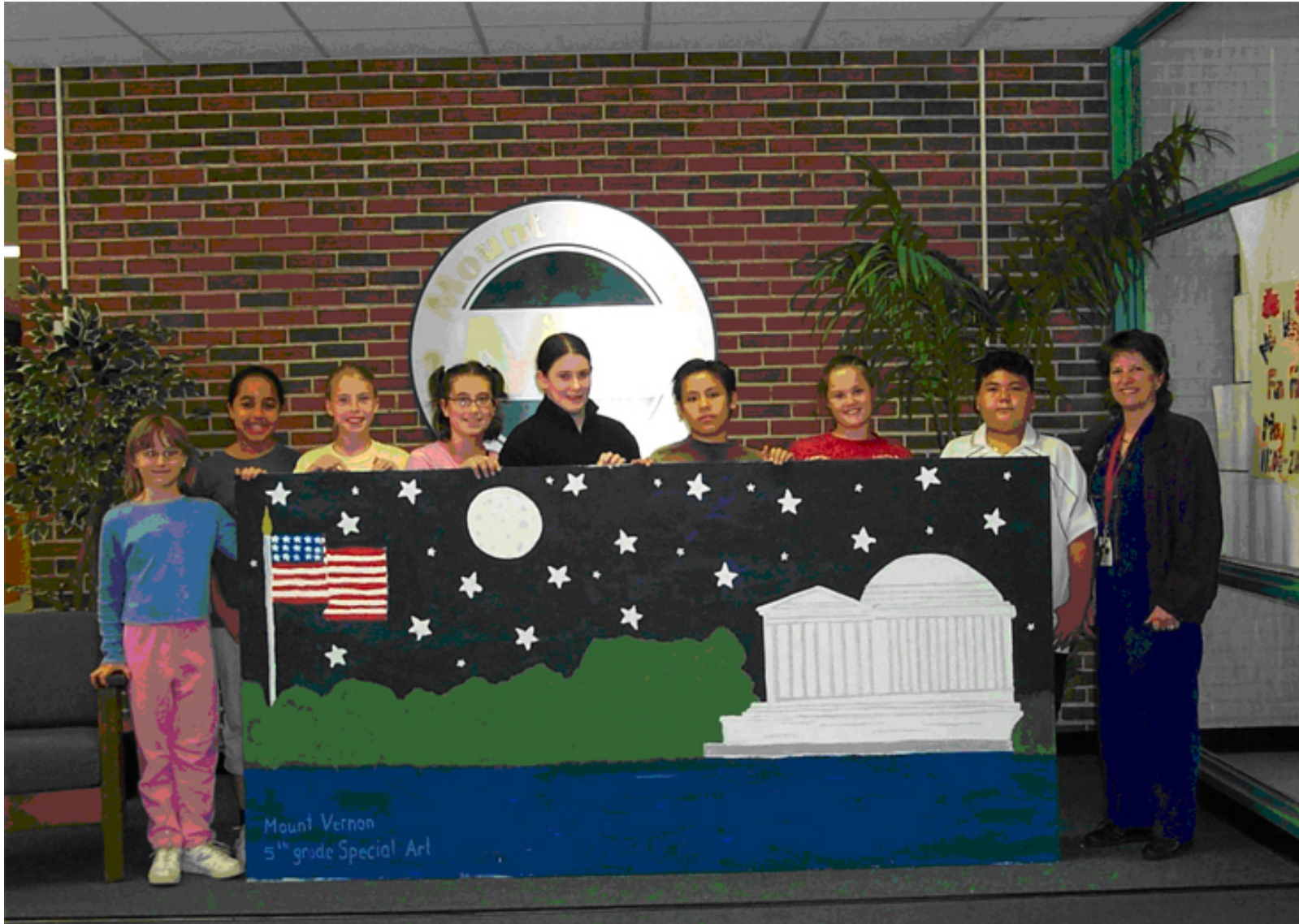
THE ALEXANDRIA STORY **Infrastructure** Planning and Feasibility

The project's original CDD approvals required that the completion of the Trunk Sewer precede any new development. The City also required that the Trunk Sewer be installed by "trenchless methods" to mitigate impacts to the City and its residents.

We began our efforts by completing a feasibility study that reviewed factors such as geology, groundwater levels, existing utility interference, topography, community impacts and constructability. It was based on these factors that the proposed alignment was selected. Based on the geology and high ground water levels an earth pressure balanced technique was chosen. This technique maintains a constant pressure by slurry injection to counteract the earth and water pressures. Coincident with the feasibility activities we implemented an aggressive community outreach program.

The community outreach program included informational meetings, mailings, web-based updates, toll-free hotline to register complaints, and a student mural project. The community outreach efforts included meeting with over 30 impacted neighborhood associations and 11 business/civic groups. The result of the extensive community outreach efforts was widespread support and acceptance of the project.

THE ALEXANDRIA STORY Infrastructure Planning and Feasibility



THE ALEXANDRIA STORY Infrastructure Planning and Feasibility

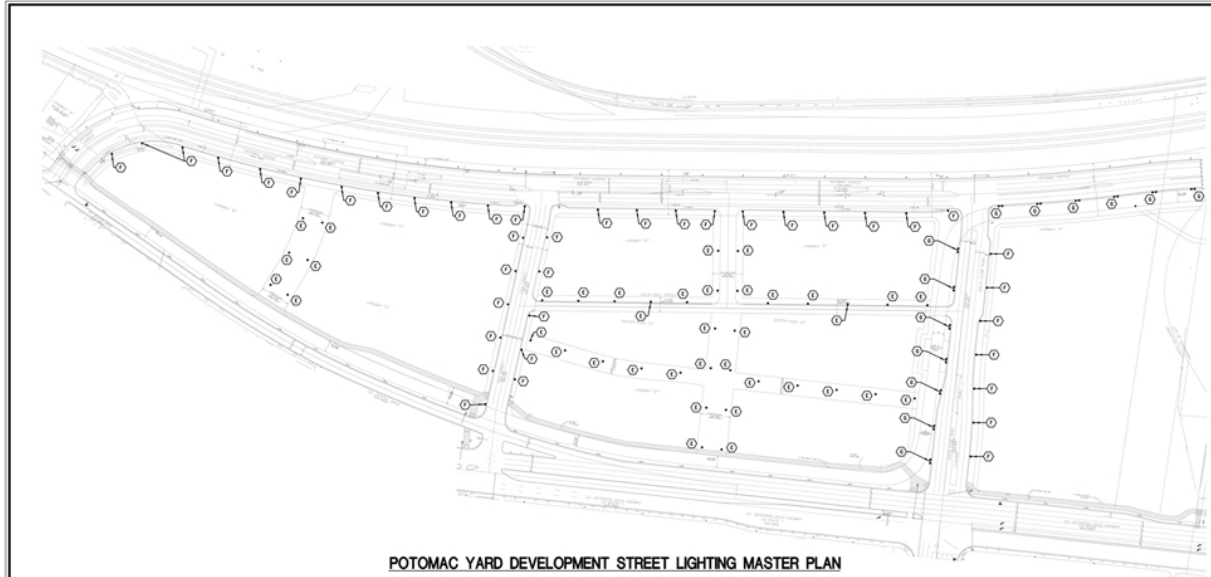


THE ALEXANDRIA STORY **Infrastructure** Design & Permitting

The design and permitting phase posed many challenges in part due to the multiple stakeholders and also due to the fact that the technology was new and unproven to the City of Alexandria, the community and Crescent.

At the time the Potomac Yard Trunk Sewer Project was the longest microtunnel project in an urban setting. In March of 2002 we obtained approvals from the five different agencies having jurisdiction, including City of Alexandria, Alexandria Sanitation Authority (ASA), Washington Metropolitan Area Transit Authority (WMATA), CSX Transportation, and The Virginia Department of Health.

THE ALEXANDRIA STORY Infrastructure Design & Permitting

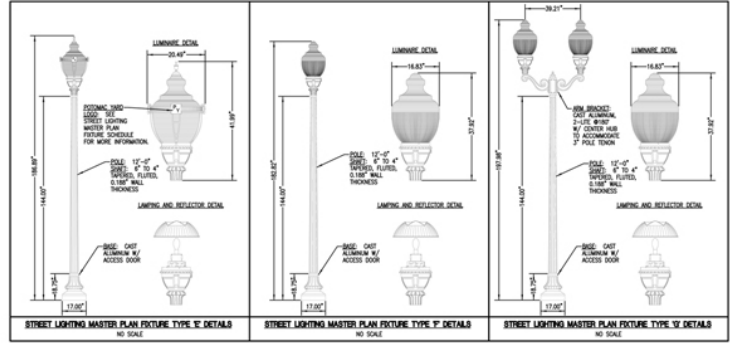


POTOMAC YARD DEVELOPMENT STREET LIGHTING MASTER PLAN



NOTE: INFORMATION SHOWN ON THIS DRAWING IS FOR INFORMATION PURPOSES TO AD ONLY IN FUTURE INSTALLATIONS OF STREET LIGHTING FIXTURES WITHIN THE POTOMAC YARD DEVELOPMENT. FOR MORE INFORMATION, REFER TO DRAWING NO. 01 ON THIS DRAWING.

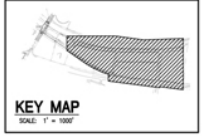
- DRAWING NOTES:**
- SEE DRAWING E-1 FOR SPECIFICATIONS, NOTES, ABBREVIATIONS, AND SYMBOLS.
 - FOR MORE INFORMATION REGARDING STREET LIGHTING MASTER PLAN FIXTURES SHOWN ON THIS DRAWING, REFER TO THE STREET LIGHTING MASTER PLAN FIXTURE SCHEDULE ON THIS DRAWING.
 - ALL STREET LIGHTING MASTER PLAN FIXTURE LOCATIONS SHOWN ON THIS DRAWING ARE INTENDED TO REFLECT GENERAL LOCATIONS OF FUTURE INSTALLED STREET LIGHTING FIXTURE LOCATIONS. FUTURE INSTALLED STREET LIGHTING FIXTURE LOCATIONS SHALL BE COORDINATED AND APPROVED/REVISIONS PERFORMED BY THE DESIGN TEAM PRIOR TO ORDERING A STREET LIGHTING LAYOUT FOR THE PORTION OF POTOMAC YARD BEING ORDERED AT THE TIME.
 - STREET LIGHTING FIXTURES SHOWN ON THIS DRAWING WITH A LIGHT FIXTURE AND BRACKET A STREET LIGHTING MASTER PLAN FIXTURE TYPE DESIGNATION INDICATE STREET LIGHTING FIXTURES INSTALLED UNDER THIS CONTRACT. REFER TO DRAWINGS E-1 THROUGH E-4 FOR MORE INFORMATION.



STREET LIGHTING MASTER PLAN FIXTURE SCHEDULE								
FIXTURE TYPE	SYMBOL	MANUFACTURER	CATALOG NUMBER	LAMPS		VOLTS	MOUNTING	REMARKS
				NO.	TYPE			
⊙	⊙	HACO	RESEARCH/ARCSIDE - NOTE 1 W/ SPW03-12A POLE & BASE ASSEMBLY	1	C10005A/C/W	120	POLE TOP	CUSTOM DASHED SINGLE A.P.S. FIXTURE ON 12' POLE
⊙	⊙	HACO	RESEARCH/ARCSIDE W/ SPW03-12A POLE & BASE ASSEMBLY	1	C10005A/C/W	120	POLE TOP	SINGLE A.P.S. FIXTURE MOUNTED ON 12' POLE
⊙ ⊙	⊙ ⊙	HACO	RESEARCH/ARCSIDE W/ SPW03-12A-2T POLE & BASE ASSEMBLY W/ SPW03-12A-2T POLE & BASE ASSEMBLY W/ SPW03-12A-2T POLE & BASE ASSEMBLY	2	C10005A/C/W	120	POLE W/ TWIN ARM BRACKET	DOUBLE A.P.S. FIXTURES MOUNTED ON TWIN ARM BRACKET ON 12' POLE
-	-	-	EXISTING STREET LIGHTING FIXTURE - NOTE 2	-	-	-	-	-

NOTE 1: STREET LIGHT FIXTURE CASE SHALL BE CUSTOMIZED TO INCLUDE CAST BLOCK POTOMAC YARD "Y" LOGO. OBTAIN EXACT LOGO DESIGN AND SPECIFICATIONS FROM THE SITE CONSULTANTS PRIOR TO ORDERING STREET LIGHT FIXTURES.

NOTE 2: EXISTING STREET LIGHTING FIXTURES INCLUDE THOSE SPECIFIED FOR INSTALLATION UNDER THIS CONTRACT (DRAWINGS E-1 THROUGH E-4).



GIRARD ENGINEERING, PC
MECHANICAL & ELECTRICAL ENGINEERS
1355 BEVERLY ROAD, MGLEAN, VA 22101
PHONE: (703)442-8787 FAX: (703)356-0169
EMAIL: quality_service@girard.com

POTOMAC YARD
ARLINGTON
INFRASTRUCTURE PLAN
ARLINGTON COUNTY, VA.

POTOMAC YARD
DEVELOPMENT
STREET LIGHTING
MASTER PLAN

DESIGN REVIEW 04/20/24
DOMINION VA POWER 05/26/24
PRICING 06/03/24

DESIGN PLAN/NO
DRAWING PLAN/NO
SPL JAW
JOB NO. 2310.00

E-10

THE ALEXANDRIA STORY **Infrastructure** Construction

Work began on construction in the March 2003. The first phase of the project included the installation of the vertical shafts, ranging between 30-50 feet deep. The shaft installation effort included many bouts with existing unknown utilities, potential archaeological sites, overhead utility conflicts and of course deep excavations in an urban setting. Nearly six months later all of the shafts had been successfully installed.

The second critical phase of construction was the installation of the pipe by microtunnel. In order to maintain the aggressive schedule, two and eventually three separate tunnel crews were employed at various locations along the alignment. During the entire process all installation were monitored by survey to ensure that no detrimental settlement was experienced.

By January 2003 the entire pipe system had been successfully installed and only surface restoration remained. We completed the entire project in slightly over 9 months.

Fourteen months later the City of Alexandria formally accepted the Trunk Sewer. In October of 2004 the Potomac Yard Trunk Sewer was placed into service.

The Trunk Sewer project was recognized due to its pioneering technology, complex geographic location, and successful completion as the 2003 Trenchless Technology New Installation of the Year.

THE ALEXANDRIA STORY Infrastructure Construction



THE ALEXANDRIA STORY Infrastructure

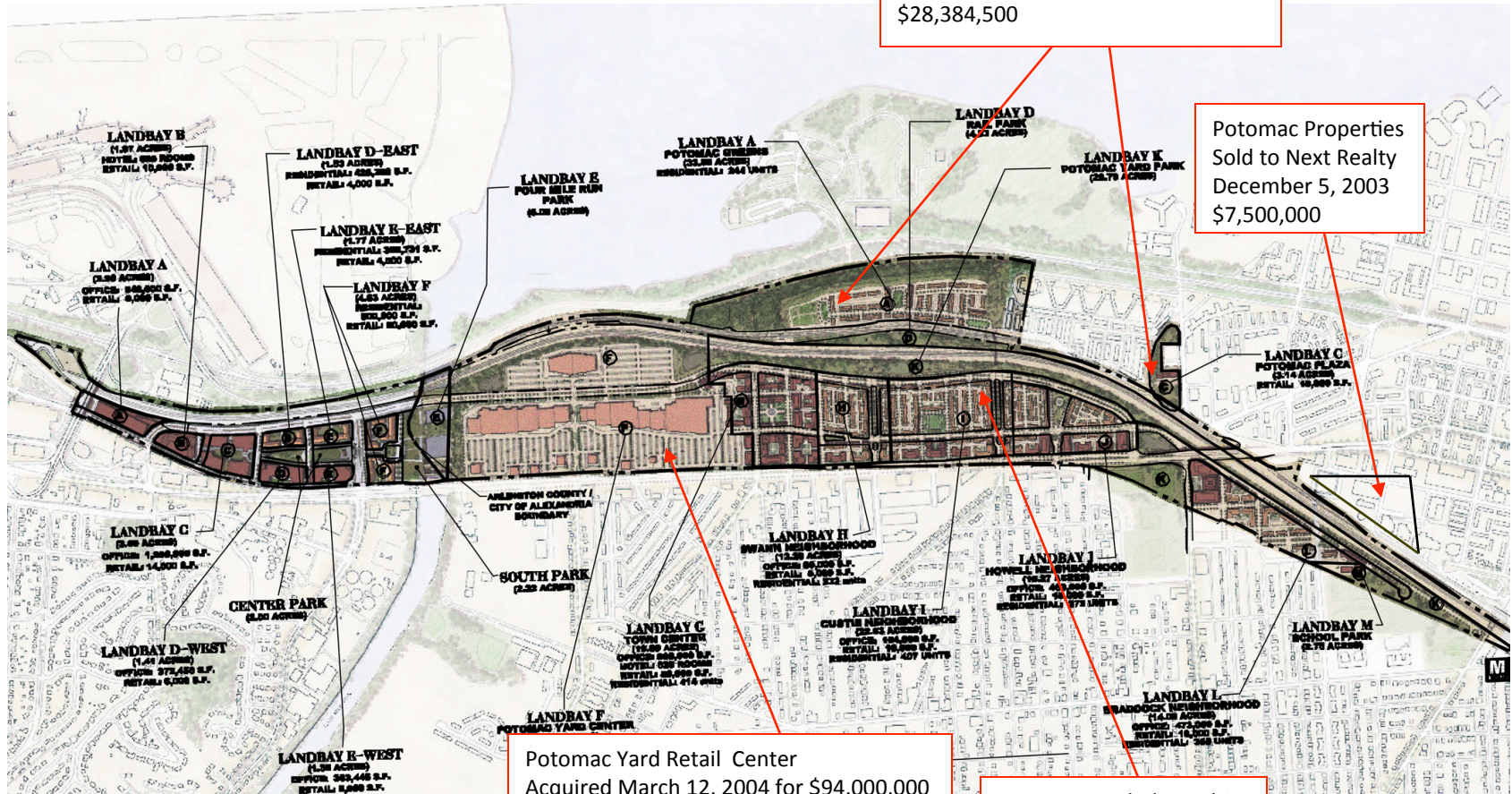
Pipe Installation



THE ALEXANDRIA STORY Infrastructure Construction



POTOMAC YARD LAND BAY SALES Alexandria



Land Bay A and C
 Sold to Eakin Youngentob Associates
 & Elm Street Development
 September 25, 2003
 \$28,384,500

Potomac Properties
 Sold to Next Realty
 December 5, 2003
 \$7,500,000

Potomac Yard Retail Center
 Acquired March 12, 2004 for \$94,000,000
 Sold on March 29, 2004 to RREEF
 \$116,500,000

Potomac Yard Alexandria
 Sold to Centex Homes
 and Pulte Homes
 June 30, 2004
 \$105,000,000

THE ARLINGTON STORY

CRESCENT RESOURCES
LLC

THE ARLINGTON STORY Regulations & Permits

First things first; North Tract Transfer

- PDSP Conditions: No Land Bay (except Land Bay A) can be permitted until North Track is transferred to Arlington County
- Environmental impacted soils require a dirt management program
- In 2002 it became evident that the residential markets were much stronger than the office markets so Crescent decided to bring the residential land bays in Arlington to the market. This decision required that the Arlington Infrastructure be constructed as soon as possible

THE ARLINGTON STORY Infrastructure Project Quick Facts: 2003-2005

- Total completed cost \$20,000,000. Total initial budgeted cost \$20,000,000
- The Arlington Infrastructure includes 5,000 ft of public roads with associated utilities and traffic signals, and 1,500 ft of private roads with utilities. Also included was the construction of a 1 million gallon per day sanitary sewer pump station located on Arlington County property
- The pump station included 50% excess capacity for use by Arlington County.
- Design began in January 2002.
- Permits issued by City of Alexandria, Arlington County, Virginia Department of Health, Virginia Department of Transportation.
- Construction on the Pump Station began in March 15, 2003.
- Construction on the on-site infrastructure began in June 2003.
- Arlington County issued Notice of Acceptance in September 2004.
- The on-site infrastructure up to base pavement was completed in September 2005.
- The on-site road improvements were each subject to separate and overlapping development agreements.

THE ARLINGTON STORY Infrastructure Planning and Implementation

From the project's original PDSP approvals the County had various phasing conditions to ensure that adequate infrastructure was approved and completed with each phase of development.

In 2003 Crescent elected to market the various land bays as finished (or to be finished) sites and thus planned to construct the entire infrastructure plan. A contributing factor to this decision was the overall mass earthwork and soil management plan.

Ultimate plans would generate nearly 1.2 million CY of excess dirt from Arlington. The Alexandria development would need nearly 650K CY of import to balance. Add the fact that approximately 40K tons of impacted soils had to be handled as special waste. The Virginia Waste Disposal Regulations made disposal of the material off-site extremely difficult and very costly.

Our approach was two fold: 1.) address the soil management issues by creating a master soil management plan. The SMP would establish in-situ characterization protocols, earth moving procedures, daily screening protocols, confirmatory testing protocols and airborne particulate monitoring.

The SMP was approved by Virginia department of Environmental Quality in the summer of 2003. The SMP would later become the framework for several development agreements and the off-site disposal of the impacted material.

THE ARLINGTON STORY Infrastructure Planning and Implementation



THE ARLINGTON STORY Infrastructure Soil Management Plan Implementation

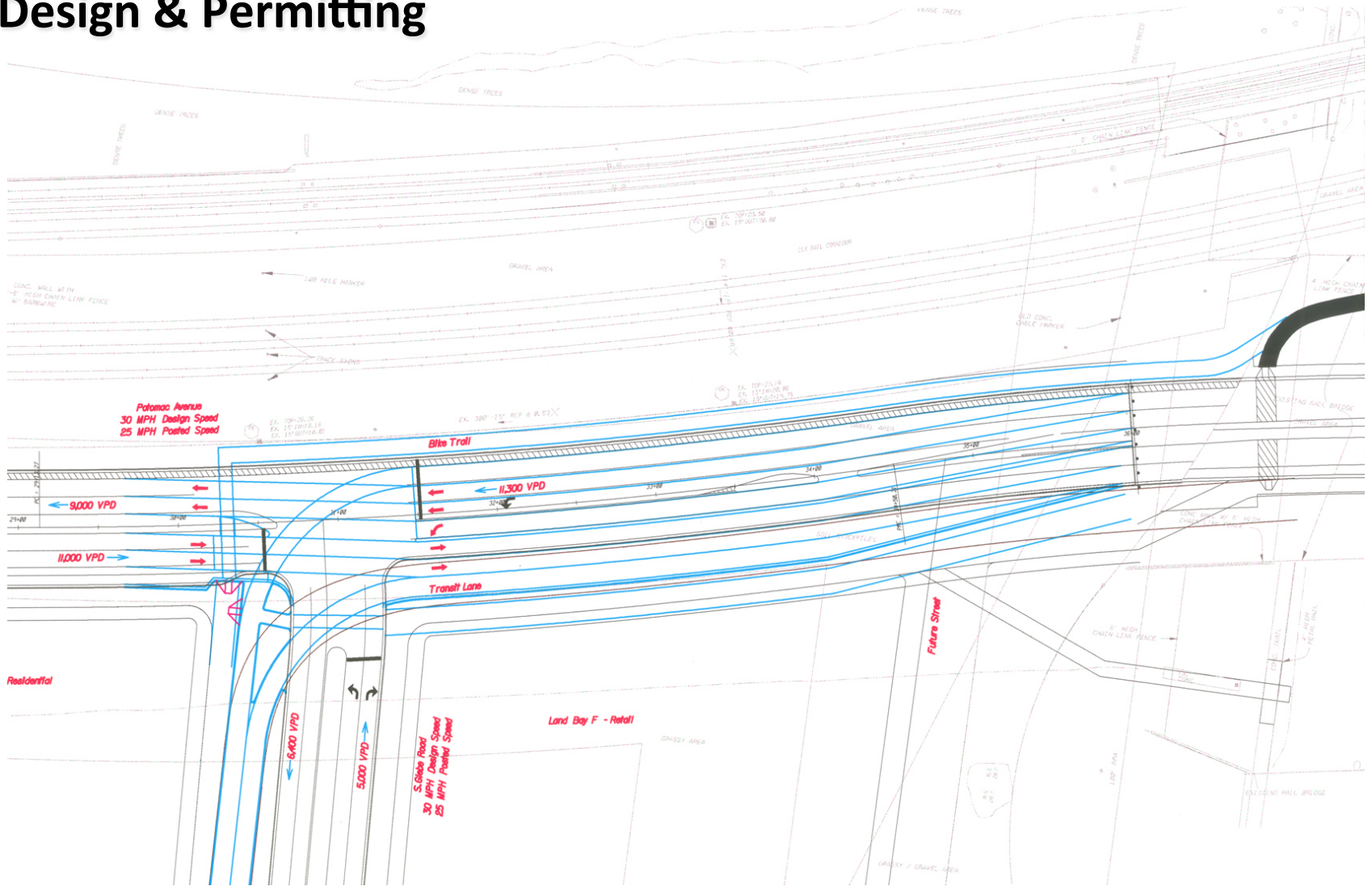


THE ARLINGTON STORY **Infrastructure** Design & Permitting

The design and permitting phase posed many challenges in part due to the fact that the scope of work straddled County/City boundaries, multiple jurisdictions having review and approval authority.

Ultimately we would obtain approvals from six different agencies, including Arlington County, City of Alexandria, VDOT, VDEQ, VDEH, and the Army Corp of Engineers.

THE ARLINGTON STORY Infrastructure Design & Permitting



THE ARLINGTON STORY Infrastructure Construction

Work began in March of 2003 on the Potomac Yard Pump Station. The project was constructed on Arlington County waste water treatment facility and was completed in 14 months.

Work began on construction in the summer of 2003 with mass grading operations and installation of the deep utilities. As a former river bed, army flood control project and railroad switching yard the geotechnical conditions were most challenging. Tidal flows from the adjacent Four Mile Creek dictated work times for the installation of storm sewers.

Many creative geotechnical solutions were implemented to reinforce road subgrades. The actual construction was monitored and subjected to performance milestones in multiple development and completion agreements

THE ARLINGTON STORY Infrastructure Infrastructure Development 2003-2005



THE ARLINGTON STORY Infrastructure Construction Phase

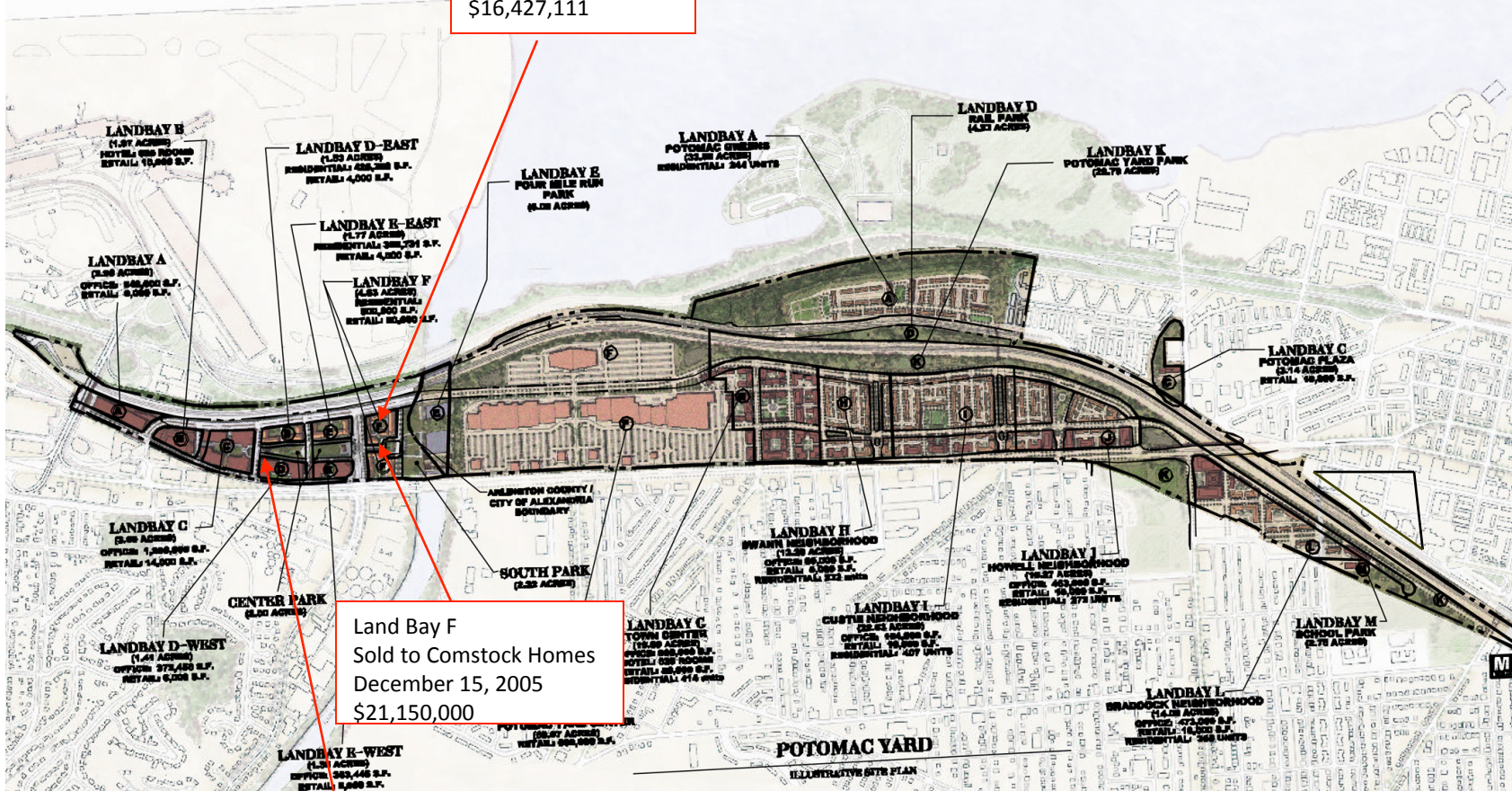


THE ARLINGTON STORY Infrastructure Construction



POTOMAC YARD LAND BAY SALES Arlington

Land Bay D - East
Sold to Camden USA
June 11, 2004
\$16,427,111



Land Bay F
Sold to Comstock Homes
December 15, 2005
\$21,150,000

Land Bays B, C, D, and E West
Sold to Meridian October 28, 2004
\$80,000,000

THE ROLE OF THE DEVELOPMENT AGREEMENTS

QUESTION:

How does Crescent get residential land bay purchasers to pay finished land bay prices for land that has not yet been developed?

ANSWER:

Crescent entered into Development Agreements with all purchasing parties which provided for:

- Overall Site Wide Conditions – Crescent’s promise to meet all of the Arlington PDSP Conditions that were required for building permits and occupancy permits.
- Description of what Crescent was going to develop.
- When Crescent was going to finish various infrastructure projects, “Milestones” – Crescent promises that that the designated infrastructure would be built on time that was backed by Letters of Credit.
- Guarantees Self-Help Provision for the buyers in the event that Crescent did not perform.