Appendix D

Marketing Study

THE WEITZMAN GROUP, INC.
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March 12, 2008

Mr. Pedro Torres
Millbrook Venture
331 River Drive
Jupiter, FL 33469

Re: Residential Market and Pricing Review for the
Proposed Mixed-Use Residential Golf-Course Development
Silo Ridge
Amenia, New York

Dear Mr. Torres:

At your request, The Weitzman Group, Inc. is pleased to provide you with a summary of our findings regarding the residential component of the proposed mixed-use resort development known as Silo Ridge, located in Amenia, New York. This report is to be used to support the market pricing as presented by the applicant, Higher Ground Country Club, LLC, in the Draft Environmental Impact Statement report accepted for public review on October 4, 2007.

Silo Ridge is planned to be a unique, first-class resort and second home/vacation residential community. The 670-acre site of the proposed development of mixed-use residential units at Silo Ridge currently includes the 18-hole Silo Ridge Golf Course and a 25,000-square foot clubhouse that will be re-developed as part of the project. In addition, the Silo Ridge development will include a 300-unit hotel, shops, multiple restaurants and a premier spa in Dutchess County, New York. Leading Hotels, a highly regarded luxury resort operator, has expressed strong interest in branding and operating the proposed hotel and residential development at Silo Ridge.

The development will include a variety of different residential unit types including condominiums, townhouses, active-adult units, single-family residences and villas, all of which will have access to the hotel's spa and food and beverage facilities along with the other resort and recreational amenities on site.

The following memorandum will provide an outline of the proposed development, an overview of the overall residential market in Dutchess County, New York, our findings on the residential demand for the project, and our review of the proposed pricing of the residential component of the Silo Ridge development.

Project Overview

Silo Ridge is a proposed golf and outdoor recreation-oriented resort and residential development initiative located in Dutchess County, New York. Currently, the 670-acre site is improved with an 18-hole golf course and related facilities. The developer has plans to significantly renovate and re-position the golf course as well as to develop a resort-based hotel component with multiple restaurants, conference space, spa, and a wide variety of recreational amenities. The golf course will undergo a complete renovation with a design by Ernie Els, one of the premier PGA Tour professionals in the world, which will bring significant name recognition to the development.

As part of several prior analyses, The Weitzman Group, Inc. provided our recommended residential unit mix and pricing for the residential units. Under the pricing scenario submitted in the Draft Environmental Impact Statement, the average price per unit for the residential and condominium-hotel units at Silo Ridge range from $360,000 per unit to $2,900,000 per unit. Table 1 provides a brief summary of the submitted pricing for residential and condominium-hotel units at Silo Ridge for the Draft Environmental Impact Statement. Based on our analyses, this pricing is marketable.

TABLE 1
SILO RIDGE RESIDENTIAL UNIT PRICING
SUBMITTED FOR
DRAFT ENVIRONMENTAL IMPACT STATEMENT

Unit Type	Number of Units	Estimated Price per Unit
Single Family & Villa Units	60	$1,950,000 to $2,900,000
Flats Units	153	$687,500 to $934,000
Townhouse Units	146	$1,100,000 to $1,250,000
Condominium-Hotel Units	300	$360,000 to $1,560,000

Source: Millbrook Ventures, LLC

Based on current architectural plans by Robert A.M. Stern Architects, the mixed-use development will be designed with the theme of a "country village" with on main village green and several smaller greens, the residents' clubhouse and the hotel located in the center of the community. The Village Green will contain multi-level townhomes with retail shops on the ground floor. The retail shops will be aligned with the characteristics of the community.

Current Conditions of National Residential Market

Although the housing market continues to slow down on a national level, residential sales within the New York metropolitan area are occurring at a relatively strong pace. However, the residential markets just outside New York City such as Westchester and Dutchess Counties are reporting slow sales activity through year-end 2007, with notable price reductions for current market listings as well as increases in the number of days that property listings remain on the market. Due to the unique nature of the Silo Ridge development, the property will be able to draw from the wide metropolitan area as well as from throughout the country.

Growing concern regarding the U.S. sub-prime mortgage market and the single-family housing slowdown has created uncertainty about the economy and its ripple effects resulted in major disruptions in the global capital markets during the Summer and Fall of 2007.

Second Home Ownership Overview

Over the past decade, second-home ownership has become more appealing and more affordable to many American households. More recently, with the low interest rates, the ability to purchase a second home has never been greater. The rapid rise in housing price appreciation over the past few years has also enticed households to purchase a second home for investment or vacation purposes. Many of these buyers that are driving the second-home housing market are baby-boomers. This age group is either at the pinnacle of their careers in terms of income earned, or is approaching retirement, and, therefore many have the means to purchase a second home.

The following statistics with respect to second-home ownership were derived from the most recent data available through the National Association of Realtors and the *2006 National Association of Realtors Profile of Second-Home Owners*.

1. In 2006, second home sales accounted for approximately 33% of all residential transactions.

2. The typical purchaser of a vacation home averages 44 years of age, while the buyer of an investment home is 39 years of age on average. The typical ages of second-home purchasers has been consecutively decreasing over the past four years.

3. The median distance between a primary residence and an investment home is 22 miles. The median distance of vacation homes are 215 miles or less from the primary residence; however 42 percent of those homes were less than 100 miles from the primary residence. Thus, as expected, it is highly likely that a number of future purchasers of units at Silo Ridge currently reside in the New York City metropolitan area.

4. Nearly one out of five second homes becomes the primary residence of the investor upon retirement.

5. The median sales price of second homes decreased between 2005 and 2006 due to the recent slowdown of the national housing market. Vacation home sales prices declined by approximately two percent while investment home prices declined by approximately eighteen percent.

6. The typical vacation home is 1,480 square feet in size with the majority of northeast vacation homes ranging in size from 500 square feet to 2,000 square feet. Investment properties were reported to have a median size of 1,520 square feet. The Northeast region accounted for the largest median size for investment homes at 1,780 square feet. Sixty-seven percent of the second homes are smaller in size than the primary residences.

7. The median value of all vacation homes in the 2006 survey was $300,000. Northeast homes were the highest valued homes with a median value of $350,000. However, in the West, the percentage of vacation homes valued at $1 million or higher was twice that of any other region (8%). Sixty-eight percent of vacation homes and 75% of investment homes are lower in value than the primary residence.

8. Second-home buyers are less likely than other buyers to use a mortgage.

Second home purchases are either made for investment purposes or for vacation purposes. In 2006, 12% of home sales were attributed to vacation homes, while 22% of sales were attributed to investment homes.

As seen in Table 2, typically more money is spent on homes purchased for vacation purposes than those that are purchased for investment. Between 2004 and 2005, the median sales price for vacation homes increased by 7.4% while the median sales price for investment homes reflected a significant increase of 24.0%. Due to the recent slowdown of the housing market, prices for both investment and vacation homes decreased by 18.3% and 2.0%, respectively.

In 2006, second home sales accounted for 36 out of every 100 total residential transactions, representing an 11.1% decrease in second home sales inventory over 2005. According to the National Association of Realtors, second home sales in 2006 were estimated at over 2.7 million sales, an 18.7% decrease over the estimated 3.3 million second home sales in 2005. Despite the overall decline in second-home sales in 2006, the number of vacation home sales increased between 2005 and 2006 by 4.7%. Out of the 2.7 million second home sales in 2006, 60.6% of those sales were for investment purposes, while the remaining 39.4% were for vacation purposes.

TABLE 2
SECOND HOME PROPERTY SALES
2003 - 2006

	Primary	Non- Primary Residence		
	Residence	All	Vacation	Investment
% Home Sales by Intended Use				
2003	67%	33%	12%	22%
2004	64%	36%	11%	25%
2005	60%	40%	12%	28%
2006	64%	36%	14%	22%
Median Sales Price				
2004			$190,000	$148,000
2005			$204,100	$183,500
2006			$200,000	$150,000
Percent Change 2005 to 2006			*-2.01%*	*-18.26%*

Source:National Association of Realtors, compiled by The Weitzman Group, Inc.

TABLE 3
SECOND HOME SALES
2003 - 2006

Type	# of Sales in 2003	# of Sales in 2004	% Change 2003 -2004	# of Sales in 2005	% Change 2004 - 2005	# of Sales 2006	% Change 2005 - 2006
Vacation	849,000	872,000	2.7%	1,019,000	16.9%	1,067,000	4.7%
Investment	1,571,000	2,003,000	27.5%	2,317,000	15.7%	1,646,000	-29.0%
Total	2,420,000	2,875,000	18.8%	3,336,000	16.0%	2,713,000	-18.7%

Source:National Association of Realtors, compiled by The Weitzman Group, Inc.

The demographics of the two categories are generally different as purchasers of investment homes are predominantly affluent professionals, younger and wealthier than their vacation home counterparts. According to the National Association of Realtors, the typical purchaser of a vacation home averages 44 years of age, while the buyer of an investment home is 39 years of age on average; both of these buyers typically have no children under eighteen years old living at home. Sixty-three percent of investment home purchasers in the survey were younger than 46 years of age while 57% of vacation home buyers were between the ages of 35 and 55.

Investment home buyers tend to purchase homes that are located in relatively close proximity to their primary residence, and unlike vacation home buyers, investment home buyers do not tend to use their investment for personal use. The majority of second-home residences, both vacation and investment, are detached single-family homes. In the survey, households buying vacation homes in 2006 held a higher median income (13% greater) than those buying investment properties. However, a greater percentage of investment home purchasers in 2006 were single household earners. The demographic characteristics of second-home buyers are presented in Table 5 and Table 6 on the following pages.

Investment home buyers have a median household income of $90,250, compared to the median household income of $102,200 for vacation home purchasers. As previously mentioned, nearly one out of five second homes become the primary residence of the investor upon retirement. In 2006, 75% of vacation home buyers used a mortgage for buy their property while 68% of investment home buyers used a mortgage to purchase.

Typically, second homes are located relatively close to the purchaser’s primary home. In fact, the majority of second homes are located in the same state as the purchaser’s primary residence; however, the distance between second homes and primary residences appears to be following an increasing trend. The median distance between a primary residence and an investment home was 22 miles in 2006 versus 15 miles in 2005. Due to the close proximity of the majority of investment homes to the primary residence, the preferred mode of travel to these homes is by car. Over 60% of investment property buyers invest in homes that are smaller than their current residence. Investment properties have a median sale price of $150,000.

The median distance between a primary residence and a vacation residence was 215 miles in 2006 versus 197 miles in 2005. The preferred modes of travel to vacation homes are by car or plane. Almost 70% of vacation homes are lower in value than the owner’s primary residence. Vacation properties have a median sale price of $200,000.

Buyer’s reasons for purchasing vacation homes versus investment homes differ greatly. The majority of vacation homes (79%) were bought in 2006 for vacation and family retreat purposes. Meanwhile, 46% of investment homes were purchased in 2006 as a source of rental income for the buyer. Forty-three percent of investment buyers purchased their second homes because they felt it was a good investment opportunity.

The outlook for second home ownership remains strong, despite the recent slowdown in the national housing market. The aging baby boomer generation places a high importance on leisure time and travel as they reach their peak earning years and experience the freedom of being empty nesters. Given the accessibility of the Silo Ridge site from Manhattan via Metro North Railroad, residents of Manhattan who are looking to purchase a luxury second home will be a strong market for the sales of the proposed Silo Ridge units. Thus, we foresee continuing strong demand for vacation homes in the region over the medium- to long-term.

Household Size Analysis - Resort Communities

Although it is difficult to approximate the effects the Silo Ridge development will have on the Webutuck Central School District, the developers have thoroughly researched the demographic and fiscal impacts of the project on the surrounding community. Additionally, based on our research of similarly positioned resort communities throughout the United States, we have discovered that the average household size is much smaller than the average household size in Dutchess County (2.73 persons) and the United States (2.60 persons). Table 4 depicts the average household size of these similarly positioned residential resort destinations along with the percent of households with children. Due to the positioning of the community as predominantly a second home community for the New York metropolitan area, it is our opinion that there will be very few permanent residents with school aged children.

TABLE 4
2007 HOUSEHOLD STATISTICS
VARIOUS RESORT CITIES THROUGHOUT THE UNITED STATES

	United States	Aspen, CO	Vail, CO	Rancho Mirage, CA	Carmel-by-the-Sea, CA	Martha's Vineyard, MA	Nantucket, MA	Hilton Head, SC
Total Households	113,136,906	3,145	2,264	8,952	2,180	2,391	1,613	17,778
% of Households with Children	34.5%	11.8%	6.8%	17.8%	10.9%	6.5%	4.1%	28.0%
% of Households without Children	65.5%	88.2%	93.2%	82.2%	89.1%	93.5%	95.9%	72.0%
Average Household Size	2.60	1.76	1.99	2.00	1.77	2.23	2.03	2.26
Variance from National Avg.		-48%	-31%	-30%	-47%	-17%	-28%	-15%
Yearly Residential Turnover %	17.7%	20.0%	20.5%	17.1%	17.0%	15.5%	13.4%	12.3%

Source: DemographicsNow; compiled by The Weitzman Group, Inc.

TABLE 5
SECOND HOME BUYER CHARACTERISTICS
2006

	Non- Primary Residence Buyers	
	Vacation	Investment
Buyer Age		
% Buyers Under 35	22%	27%
% Buyers 35 to 45	31%	36%
% Buyers 45 to 55	26%	19%
% Buyers Over 55	21%	18%
Median Age (in years)	*44*	*39*
Household Income		
Less than $45,000	6%	8%
$45,000 to $75,000	21%	28%
$75,000 to $100,000	21%	22%
more than $100,000	51%	42%
Median Income	*$102,200*	*$90,250*
Number of Household Earners		
None	1%	1%
One	33%	39%
Two	57%	49%
Three or more	9%	10%
Household Composition		
Single Male	11%	17%
Single Female	3%	9%
Married Couple	78%	68%
Unmarried Couple	1%	5%
Other	1%	1%
Number of Children Under 18		
None	40%	45%
One	21%	21%
Two	24%	21%
Three or more	14%	13%
Property Purchases in 2006		
One Property	86%	63%
Two Properties	12%	23%
Three or more Properties	2%	14%

Source:National Association of Realtors, compiled by The Weitzman Group, Inc.

TABLE 6
SECOND HOME PROPERTY CHARACTERISTICS
2006

	Non- Primary Residence Buyers	
	Vacation (%)	Investment (%)
Property Location		
Small Town	15%	16%
Rural Area	29%	22%
Suburb/ Subdivision	22%	37%
Urban Area/ Central City	10%	18%
Resort Area	24%	7%
Region of Home Purchase		
Northeast	25%	24%
Midwest	13%	17%
South	38%	39%
West	25%	20%
Type of Property		
Detached Single-Family	67%	63%
Condo/ Duplex in 2 to 4 unit- building	14%	14%
Condo/ Apartment in 5 or more- unit building	7%	12%
Townhouse or Row house	8%	6%
Other	4%	5%
New or Existing Home		
New	44%	36%
Exisiting	56%	64%
Distance from Primary Residence		
5 Miles or less	3%	14%
6 to 20 Miles	11%	35%
21 to 50 Miles	11%	13%
51 to 100 Miles	17%	10%
101 to 500 Miles	25%	10%
501 to 1,000 Miles	10%	7%
Greater than 1,000 Miles	22%	11%
Median Miles from Primary Residence	*215*	*22*

Source:National Association of Realtors, compiled by The Weitzman Group, Inc.

Dutchess County Residential Market

As part of our analysis, The Weitzman Group, Inc. has tracked the number of single-family homes that sold for greater than $500,000 in Dutchess County over the past four years in order to gauge the depth of the local market. The majority of the high-end product in Dutchess County is comprised of large estate homes with an average home size well in excess of 3,000 square feet.

Based on information provided by First American Real Estate Solutions, there were 1,116 total sales above $500,000 between 2003 and 2006 (of which 938 had complete sales data available). As seen in Table 7, the number of "high-end" homes sales in Dutchess County has grown in each of the past four years, with more than 430 single family residences trading for greater than $500,000 in 2006 alone. The average sales price has followed the same trend between 2003 and 2005, increasing from $649,648 in 2003 to $728,549 in 2005. In 2006, the average sales price of single family homes decreased by approximately 3.5% over 2005 figures; this drop in sales price reflects the recent slowdown of the housing market affecting most markets throughout the United States. Despite the slight decrease in sales prices, the Dutchess County residential market realized an 8.2% gain in housing prices between 2003 and 2006. However, this growth is well below that of other counties with large numbers of second homes. Given a relatively constant average home size, this has led to increases in average price per square foot sale prices over the four year period as well.

TABLE 7
SINGLE FAMILY SALES
DUTCHESS COUNTY
SALES $500,000 AND GREATER
2003 - 2006

		---------- Square Feet ----------			---------- Sales Price ----------			-------- Price Per Sq. Ft.-------		
Year	# of Sales (1)	Min	Average	Max	Min	Average	Max	Min	Avg	Max
2003	124	818	3,432	6,306	$500,000	$649,648	$3,500,000	$96	$189	$2,454
2004	173	768	3,201	6,094	$500,000	$680,777	$5,600,000	$98	$213	$1,440
% increase ('03 -'04)						*4.79%*			*12.33%*	
2005	209	1,120	3,110	18,008	$500,000	$728,549	$7,600,000	$111	$234	$1,161
% increase ('04 - '05)						*7.02%*			*10.16%*	
2006	432	906	3,170	16,296	$500,000	$703,151	$7,625,000	$92	$233	$2,325
% increase ('05 - '06)						*-3.49%*			*-0.74%*	
Total/Average	938	917	3,197	13,475	$500,000	$697,611	$6,700,640	$98	$224	$1,920
% increase ('03 - '06)						*8.24%*			*22.83%*	

(1) Only sales where sq. ft. information was available. There were 1,116 total SFR sales in Dutchess County in the past four years.

Source: First American Real Estate Solutions; Compiled by The Weitzman Group, Inc.

As shown in Table 8, the vast majority of single-family home sales greater than $500,000 in Dutchess County over the past four years were in the $500,000 to $799,999 price range. In fact, approximately 90% of the total sales above $500,000 fell within this range, with over 50% of those between $500,000 and $599,999 in sales price. There were only 47 sales (approximately 4% of the total recorded sales) that were in excess of $1,000,000 between 2003 and 2006. While there is an absence of newly developed, luxury product in the market to support transactions above $1,000,000, these sales trends indicate that there is a price ceiling in Dutchess County.

TABLE 8
SINGLE FAMILY SALES - DUTHCESS COUNTY
OF SALES BY PRICE RANGE
2003 - 2006

Sales Price Range	# of Sales	% of Total
$500,000 -$599,0000	565	50.6%
$600,000 -$699,0000	283	25.4%
$700,000 -$799,0000	139	12.5%
$800,000 -$899,0000	54	4.8%
$900,000 -$999,0000	28	2.5%
$1,000,000-$1,999,999	32	2.9%
$2,000,000+	15	1.3%
Total	1,116	100%

Source: First American Real Estate Solutions; Complied by TWG

We have also examined the migration statistics of the 1,116 home buyers between 2003 and 2006 in Dutchess County in order to determine where potential demand for the proposed development could be expected to be derived. As seen in Table 9 below, approximately 66% of individuals who purchased a home in Dutchess County in the past four years came from within the county. Approximately 8% of home buyers (or 93 households) came from Manhattan. It is important to note this figure presumably includes both individuals who still maintain a primary residence in Manhattan as well as those (likely few) who have moved to Dutchess County on a full-time basis. Although we cannot quantify the exact number, it is our belief that most of these sales to Manhattan residents were for second homes. More importantly, the average sales price of $932,883 for homes purchased by Manhattanites was 45% greater than the overall average sales price for all single-family residences in the county. Likewise, 96 homes that sold in Dutchess County were to individuals residing in Westchester County. These residences also sold above the overall average price at a sales price of $720,046.

TABLE 9
MIGRATION STATISTICS
SINGLE FAMILY SALES - DUTCHESS COUNTY
ALL SALES GREATER THAN $500,000 (2003- 2006)

County/Market Area of Home Buyer	# of Sales	% of Total	Average Sales Price	Avg. Sales Price Vs. Overall Avg. Sales Price
Dutchess County	**740**	**66%**	**$642,005**	-7%
Manhattan	93	8%	$932,883	27%
Remainder of NYC (including Long Island)	44	4%	$673,571	-2%
Westchester County	96	9%	$720,046	5%
Northern New Jersey/Rockland/Putnam County	42	4%	$604,098	-13%
Connecticut/Massachusetts	18	2%	$796,973	14%
Upstate New York	8	1%	$692,067	1%
Other/Insufficient migration data	75	7%	$885,487	23%
Total	1,116	100%	$684,496	--

Source: First American Real Estate Solutions; Compiled by The Weitzman Group, Inc.

In addition to analyzing residential sales throughout Dutchess County, we looked to residential sale trends in Millbrook, New York; Sharon, Connecticut; and, Kent, Connecticut

Residential Sales in Millbrook, New York

Current high-end buyers in the Millbrook residential market are young professionals from Manhattan looking for second, third or fourth homes on large-acreage sites. The single family residential sales account for 96.6% of total sales occurring in Millbrook over the last five years. These sales have an average selling price of $397,553, or $200 per square foot and an average size of 2,121 square feet. Table 10 summarizes the residential sales for Millbrook, New York based on the transaction year of the sale.

TABLE 10
RESIDENTIAL SALES
MILLBROOK, NEW YORK
JULY 2002 THROUGH JULY 2007

Year	Total Sales	Average Sales Price	Average Size (SF)	Average Price PSF
2002 (1)	15	$228,535	2,076	$110
2003	30	$327,016	2,044	$160
2004	48	$404,882	2,429	$167
2005	38	$521,463	2,859	$182
2006	38	$384,697	1,988	$194
2007 (2)	8	$471,466	1,842	$256
Total/ Wghtd. Avg.	177	$400,444	2,305	$174

(1) 2002 figures from July 1, 2002 through December 31, 2002.
(2) 2007 figures through July 2007.

Source: First American Data Solutions; compiled by The Weitzman Group, Inc.

Residential Sales in Sharon, Connecticut and Kent, Connecticut

Brokers characterize the state of the Sharon and Kent residential markets as emerging second home markets for the “Hamptons buyer”. Potential buyers looking to purchase second homes in Sharon and Kent are those who no longer see The Hamptons as an attractive location for a second home due to the extreme over-popularity of the area, the limited alternative transportation routes and the high concentration of weekend traffic along the Long Island Expressway. The buyers are further characterized as young professionals with primary residences within Manhattan as well as wealthy Baby Boomers in their late 50’s to mid-60’s looking to simplify, downsize and be located closer to town.

The single family residential sales account for 67.0% of total sales occurring in Sharon over the last five years. Table 11 summarizes the residential sales for Sharon, Connecticut based on the transaction year of the sale.

TABLE 11
RESIDENTIAL SALES
SHARON, CONNECTICUT
JULY 2002 THROUGH JULY 2007

Year	Total Sales	Average Sales Price	Average Size (SF)	Average Price PSF
2002 (1)	18	$397,917	2,144	$186
2003	43	$383,988	2,144	$179
2004	39	$478,071	1,996	$240
2005	50	$662,069	2,337	$283
2006	47	$596,957	1,902	$314
2007 (2)	24	$727,852	1,911	$381
Total/ Wghtd. Avg.	221	$547,274	$2,085	$264

(1) 2002 figures from July 1, 2002 through December 31, 2002.
(2) 2007 figures through July 2007.

Source: First American Data Solutions; compiled by The Weitzman Group, Inc.

The residential sales that have occurred in Kent, Connecticut between July 2002 and July 2007 include 203 total sales. The single family residential sales account for 61.1% of total sales occurring in Kent over the last five years. Table 12 summarizes the residential sales for Kent, Connecticut based on the transaction year of the sale.

TABLE 12
RESIDENTIAL SALES
KENT, CONNECTICUT
JULY 2002 THROUGH JULY 2007

Year	Total Sales	Average Sales Price	Average Size (SF)	Average Price PSF
2002 (1)	24	$680,756	2,621	$260
2003	41	$339,743	1,843	$184
2004	44	$341,995	1,733	$197
2005	47	$491,623	2,021	$243
2006	38	$327,998	1,491	$220
2007 (2)	9	$379,222	1,605	$236
Total/ Wghtd. Avg.	203	$415,264	$1,876	$219

(1) 2002 figures from July 1, 2002 through December 31, 2002.
(2) 2007 figures through July 2007.

Source: First American Data Solutions; compiled by The Weitzman Group, Inc.

Although the residential markets in Millbrook, Sharon and Kent have experienced slowing trends, like most residential markets throughout the country, it is our opinion that the outlook for these markets is cautiously optimistic. The growth potential in each of these residential markets is positive, especially as high-end second home markets.

Golf Course Oriented Residential Supply

In prior reports prepared by The Weitzman Group, Inc. for the Silo Ridge development, a wide variety of golf course resort-oriented, for-sale residential product was surveyed. The analysis of golf course-oriented supply offered us a better understanding of appropriate unit design, sales price structures, buyer profiles, product features, resort amenities, and which unit types have achieved the most success in the market. For this report, we have looked to the previously surveyed properties and updated our analysis, where applicable.

The projects presented in our analysis are comprised of various for-sale housing opportunities including: condominium units, townhomes, golf villas (semi-attached homes), single-family residences, and condominium-hotel suites. In many cases, the surveyed developments include more than one of the aforementioned for-sale housing components.

Our survey included:

- Regional golf course developments within a few hours of the Silo Ridge site. These projects are located throughout the metropolitan New York City area including Northern New Jersey and Westchester County. We have also looked to some projects located in Connecticut and Massachusetts. In many cases, these communities have been developed in conjunction with surrounding golf courses resorts; others developments are simply located adjacent to golf courses and membership opportunities/ green fees are completely separate. Our complete survey has been presented in previous marketability reports.

- Various ski-mountain based residential developments throughout the Northeast. These master-planned developments have many of the same characteristics as golf-course oriented resorts. Furthermore, the surveyed ski mountain resorts all include golf courses as part of their overall development plan to create a four-season resort community. Our survey of these regional ski mountain developments has been presented in prior marketability reports.

- Selected national golf course resort communities located throughout the United States. We have looked to those nationally recognized golf course developments which include both a full-service hotel resort component as well as a variety of on-site for-sale residential opportunities. When applicable, we have focused on those golf course resorts located within similar driving distances to major metropolitan areas as Silo Ridge's distance to Manhattan. A complete survey of these national resort developments has been presented in previous marketability reports.

Regional

<u>Carnegie Abbey Golf and Sporting Club</u>

The Carnegie Abbey Golf and Sporting Club is a private, golf-oriented community located on the eastern shore of Narragansett Bay in Portsmouth, Rhode Island. It is located within a one hour drive from Providence, Rhode Island and a one-and-a-half hour drive from Boston, Massachusetts. Carnegie Abbey is a private membership club, offering a full range of activities from a world-class 18-hole golf course, tennis and equestrian facilities to a 77,000 square foot main club house building that contains an excellent restaurant, health club and spa, and a fire placed lounge reminiscent of a rustic lodge.

Carnegie Abbey was initially constructed in 2001. A second phase to include additional for-sale residential housing options on the site is currently under construction. The new development initiatives include: **The Carnegie Tower**, a 21-story ultra-luxury high-rise containing 80 units within a mix of one, two, three and four bedroom units ranging in size from approximately 1,000 to over 6,000 square feet. **The Royal Cottages** include 21 detached, two-story homes. These Cottages resemble traditional New England single-family homes, complete with garages and swimming pools surrounding a five acre pond. These cottages offer maintenance-free living in three bedroom homes that average 6,500 square feet. The pricing at Carnegie Abbey ranges from $850,000 for a condominium units it the Tower to $15,000,000 for a furnished cottage. Additionally, in order to purchase real estate, owners are required to join the country club. Membership prices at the Carnegie Abbey Country Club are $175,000 for golfers and $87,500 for non-golfers. The Tower and Royal Cottages at Carnegie Abbey are expected to be ready for occupancy in 2008. The property continues to sell units as of December 2007. Historically, sales at this property have been relatively slow given the magnitude of the sales prices at the property; however, unit absorption at Carnegie Abbey has been increasing since August 2007 due to an aggressive change in marketing strategy.

Regional – Ski Mountain

<u>Stratton Mountain</u>

Stratton Mountain is one of the premier ski-mountain family resorts in the Northeast. The town of Stratton is located in southern Vermont and, although located more than 200 miles to the north, attracts a large number of households from the New York metropolitan area. Stratton Mountain is owned by Intrawest, which has developed a self-contained pedestrian village comprised of high-end shops, restaurants, and a day spa. The resort has several hotel options (full-service and rental condominiums) located both slopeside and throughout the village. Stratton Mountain has complemented its 90-trail ski mountain with a host of outdoor activities in order to create a four-season resort. This vacation destination offers a 27-hole golf course, golf and tennis schools, hiking and mountain biking trials, fly fishing and frequent special activities and concerts.

There have been several recent for-sale residential developments constructed at Stratton. **Rising Bear Lodge** is a 38-unit condominium building completed in late 2004. The development has a mix of two, three, and four bedroom units that range in size from 1,012 to 2,393 square feet. Rising Bear Lodge is completely sold out; current re-sale listings range in price from $530,000 to $1,399,000, or approximately $510 to $615 per square foot. Additionally, unit owners do rent units for the winter ski season for rates of $35,000 to $50,000 per season. Amenities include heated underground parking, a heated pool with sauna and hot tub, and an outdoor skating rink.

Another recent residential development is **Tree Top**, which includes 74 slopeside townhomes. Completed in 2004, each townhouse building is comprised of three multi-level units. Tree Top has a mix of two, three, and four bedroom units ranging in size from 1,800 to 2,417 square feet. The furnished units are priced in excess of $1,150,000, or approximately $500 to $580 per square foot. There are currently eight units on the market for re-sale. The asking prices on these units range from $849,000 to $1,450,000, or approximately $445 to $600 per square foot. Owners of the townhouses at Tree Top also offer seasonal rentals at approximately $45,000 per season.

There are two additional condominium developments that are currently under construction at Stratton Mountain resort: Hearthstone Lodge and Founders Lodge. Both condominium developments have a mix of two, three and four bedroom units. **Hearthstone Lodge** is comprised of 38 units ranging in size from

1,039 to 2,621 square feet. The project was completed in Fall 2007. Hearthstone Lodge is completely sold out and there are currently three re-sale listings, which range in price from $585,000 to $895,000, or approximately $525 to $615 per square foot. **Founders Lodge** is a two-phased condominium development which will include 47 units in each phase. Phase I is completed and Phase II is currently in the pre-sale phase. The first phase of Founders Lodge currently has ten units available for re-sale, which range in asking price from $630,000 to $1,340,000, or approximately $440 to $615 per square foot. The Phase II units range in price from $775,000 to $1,340,000, or approximately $625 to $695 per square foot.

National

The Greenbrier

The Greenbrier is a world-renowned golf resort destination located in White Sulpher Springs, West Virginia, approximately 115 miles west of Charlottesville, North Carolina. Named by Golf Digest as the third 'Best Golf Resort in America' in 2002 (#5 in 2006), the Greenbrier is anchored by three championship golf courses and is comprised of approximately 800 hotel rooms. The resort includes a 514-key main hotel component as well as various private cottage houses and parlors that are rented out to resort guests.

Developed in conjunction with The Greenbrier Resort is the Greenbrier Sporting Club, a private membership club that is only available to owners of the nearly 500 single-family residences and available home sites dispersed throughout the Greenbrier Resort. Membership at The Greenbrier Sporting Club includes access to: (1) the 32,000 square foot 'Members Lodge' with a private dining room, men and women's lounges, and a pro shop; (2) an additional, private 18-hole golf course; (3) an Equestrian Center with 10 miles of riding trails; (4) a sports complex with a fitness center, outdoor infinity pool, tennis courts, squash courts and a 25-foot indoor climbing wall; (5) a day-spa; (6) a 10-station clay-shooting facility; and, (7) fly-fishing along with a host of other outdoor recreational activities.

The for-sale residences and home sites are contained within eleven separate development communities located throughout the resort. The currently available single family residences range in size from 3,380 to 6,723 square feet. These single-family residences are priced from $1,350,000 to $4,500,000, or approximately $400 to $700 per square foot. The home sites, which range in size from approximately 0.3 to 6.5 acres, are priced from $350,000 to $2,795,000 per lot.

Fractional Ownership Overview

Fractional ownership involves residential units usually situated in residential communities, resort communities, and condominium hotels that are purchased by multiple buyers. On average, the ownership of a unit is split among four independent parties and the use of the unit is split among owners on a rotating calendar (approximately 13 weeks per year). Some buyers look to fractional units in condominium hotels as rental investments, whereby owners can choose to place their unused weeks in a rental program that is managed by the hotel operator and then rented to outside visitors.

According to the "2007 Annual Fractional Interest Report" by NorthCourse Leisure Real Estate Solutions and Ragatz Associates, the fractional residential market has grown significantly since 2004. In 2006, Ragatz Associates reported that there were over $2.12 billion in total sales volume in North America for a variety of fractional interest properties. The sales volume in 2006 represents an overall increase of 7.8% from 2005 and a significant increase of 33% over 2004 figures. Approximately 85% of the sales volume comprised new sales, while an additional 12% of the volume was for pre-sales of to-be-constructed units. The remaining 3% of sales consisted of the re-sale of existing units. Ragatz Associates also reported that in 2006, the per-square-foot prices were higher at developments offered by branded hotel companies.

The fractional ownership market is segmented into four markets:

- **Traditional fractional interests** sell for less than $500 per square foot and typically offer a "three-star" level of quality and services. The average price for a traditional fractional interest unit in 2005 was $385 per square foot.

- **High-End fractional interests** sell for between $500 and $999 per square foot and typically offer a "four-star" level of quality and services. The average price for a high-end fractional interest unit in 2005 was $765 per square foot.

- **Private Residence Clubs (PRC's)** sell for greater than $1,000 per square foot and typically offer a five-star level of quality, services and amenities in a one-of-a-kind location. The proposed fractional ownership development at Silo Ridge would be characterized as a PRC. The average price per square foot for a PRC unit in 2006 was $1,803 per square foot

- **Destination Clubs** differ from the above in that they involve the sale of a membership in an equity or non-equity club which offers access to resort homes.

The majority of the new sales volume in 2006 fell within the Private Residence Clubs ($1,070.1 million), followed by the Destination Clubs category ($575.8 million) and the traditional and high-end fractional interests ($476.0 million). The average fractional development experienced an average sales pace of seven units per month in 2006. It is noted that fractional developments affiliated with hotel companies averaged a higher sales of eight units per month when compared to non-hotel companies and private developers averaging six units per month.

As of December 31, 2006, 254 fractional developments had sold fractional interests in North America, representing a 35% increase in fractional development inventory throughout the county. A total of 135 of the 254 developments were actively selling. As of December 31, 2006, there were 78 fractional developments actively selling.

The unit mix for the PRC's tends towards the larger units. Of the 2,451 PRC units that were actively selling in 2006, 14% of the units were studios and one-bedroom units, 33% were two-bedroom units, 42% were three bedroom units and 11% were four bedroom units. Furthermore, the unit sizes for the various unit types within PRC's were larger in size than typical condominium units. The average unit size was 870 square feet for one-bedroom units, 1,540 square feet for two-bedroom units, 2,135 square feet for three-bedroom units and 2,830 square feet for four-bedroom units. The ski and beach destinations offered the smallest unit sizes compared to other resort destinations, due in large part to the lack of developable land.

Fractional interest share sizes ranged from 1/21 to one-quarter shares. The vast majority of PRC's were offered in the range of 1/8th to 1/10th shares (approximately 55% of the total), followed by 1/12th shares (21% of the total). The larger share sizes, ranging from one-quarter to one-fifth shares, only comprised 10% of the market for PRC units.

Select Fractional Comparables

Based on our survey of the regional market area, there is a scarcity of luxury fractional units currently being offered in connection with upscale resorts. According to the "2007 Annual Fractional Interest Report" published by NorthCourse Leisure Real Estate Solutions, Colorado and California currently contain the highest concentration of fractional units at 17% and 13% of total fractional inventory, respectively. Because fractional units first began at ski resorts in Colorado, California, Utah and Vermont, Vermont is the only state in New England to have a significant supply of fractional units (4% of the national inventory). Our analysis of the most comparable fractional properties in Massachusetts, New York and Vermont are detailed below.

<u>Horizon Beach, North Truro, Massachusetts</u>

Horizon Beach Resort offers 500 feet of private beach on the northern tip of Cape Cod near Provincetown. The beach resort has newly remodeled efficiency units on the beach, ocean view units, two-room poolside apartments, or a unit at a unique Pagoda complex. All accommodations feature kitchens, air conditioning and cable televisions. Great dining, shopping, whale watching, and fishing can be found in Provincetown. The units, detailed below, are equipped with a kitchen area, air conditioning, two double beds with sleep-sofa (or a King-size bed and sleep-sofa), and a large TV with DVD player.

TABLE 13
HORIZON BEACH - NORTH TRURO, MA
AVAILABLE UNITS

Unit Type	Size	Price	Annual Price	Price Per Square Foot	Annual Price Per Square Foot
Studio	375	$44,900	$179,600	$119.73	$478.93
Studio	375	$44,900	$179,600	$119.73	$478.93
Studio	375	$44,900	$179,600	$119.73	$478.93
Studio	375	$49,900	$199,600	$133.07	$532.27
Total/Avg.	375	$46,150	$184,600	$123.07	$492.27

Comments:

The property has 30 fractional units that it sells on a quarterly basis. The interest is based on a rotating calendar schedule and is available 9 of the 13 weeks.

<u>Whiteface Lodge, Lake Placid, New York</u>

Whiteface Lodge, located in Lake Placid, New York offers 85 all-suite guestrooms and fractional units. The property is a member of The Leading Hotels of The World and includes amenities such as water sports, cross-country ski trails, platform tennis, a gourmet restaurant and heated pools. Additionally, for fractional unit owners, there is a private owners club with spa, dining and other facilities. Table 14 describes the fractional units at the Whiteface Lodge.

TABLE 14
WHITEFACE LODGE
LAKE PLACID, NEW YORK

Unit Type	Size [-----Range-----]		Price [-----Range-----]		Annual Price [-----Range-----]		Annual Price Per Square Foot [-----Range-----]		Annual Price Per Square Foot [-----Range-----]	
One-Bedroom	600	1,000	$98,900	$146,000	$1,186,800	$1,752,000	$146	$165	$1,752	$1,978
Two-Bedroom	1,000	1,400	$164,900	$298,000	$1,978,800	$3,576,000	$165	$213	$1,979	$2,554
Three-Bedroom	1,500	2,300	$274,000	$397,000	$3,288,000	$4,764,000	$173	$183	$2,071	$2,192
Total/Avg.	1,033	1,567	$179,267	$280,333	$2,151,200	$3,364,000	$161	$187	$1,934	$2,241

Comments:
The property has 85 fractional units that it sells on a monthly basis. The interest is based on a rotating calendar schedule.

Villas at Trapp Family Lodge, Stowe, Vermont

Trapp Family Lodge, located in Stowe is included in the Vermont hotel competitive set for the proposed hotel component at Silo Ridge. Trapp Family Lodge is a 2,400-acre, independent resort, originally built in 1950 that includes 96 guestrooms. Additionally, the property operates 40 clusters of three-bedroom villas on 61 acres within the resort. The property offers a variety of amenities including multiple restaurants, 2,334 square feet of meeting space, a fitness and message therapy center as well as outdoor activities. Pricing for the fractional units is detailed below.

TABLE 15
VILLAS AT TRAPP FAMILY LODGE
STOWE, VT

Unit Type	Size Min	Size Max	Price Min	Price Max	Annual Price Min	Annual Price Max	Price Per Square Foot Min	Price Per Square Foot Max	Annual Price Per Sq. Foot Min	Annual Price Per Sq. Foot Max	Annual Maintanence Fees
Three-Bedroom	2,500	2,500	$126,000	$272,000	$1,512,000	$3,264,000	$50	$109	$605	$1,306	$5,900
Total/Avg.	2,500	2,500	$126,000	$272,000	$1,512,000	$3,264,000	$50	$109	$605	$1,306	$5,900

Comments:
There is a 1/12 interest for each unit where you pick 2 prime weeks that are set for each year and then pick a floating middle season week and floating slow season week. There are 19 Duplexes (38 units) with 8 currently completed, which are 75% occupied.

Front Four at Spruce Peak at Stowe Mountain

Located in Stowe, Vermont, the Front Four fractional units at Spruce Peak is set to open in mid-2008. The development is a fractional ownership and private residence property. Upon completion, it will have two-, three-, and four-bedroom fractional units ranging between 2,000 and 3,000 square feet that are currently priced from $350,000 to $449,000 (for an eighth share of the unit), or $175 per square foot to $533 per square foot. Amenities offered at the development will include valet parking, room service, bell service, and daily housekeeping. Also, the development offers underground parking, an in-house restaurant, access to The Spa at Stowe Mountain Lodge and an 18-hole golf course.

The fractional program at Front Four will allow each fractional owner to use 21 days in the winter and 21 days in the summer. Time may be reserved in three-, four- or seven-day increments. The fees associated with the units are $2,482 per quarter for two-bedroom units, $3,115 per quarter for three-bedroom units and $3,748 per quarter for four-bedroom units.

TABLE 16
FRONT FOUR AT STOWE MOUNTAIN
STOWE, VT

Unit Type	Size	Price	Annual Price	Price Per Square Foot	Annual Price Per Square Foot	Annual Maintanence Fees
Two-Bedroom	1,975	$349,000	$2,792,000	$177	$1,414	$10,000
Three-Bedroom	2,300	$369,000	$2,952,000	$160	$1,283	$12,500
Four-Bedroom	3,050	$449,000	$3,592,000	$147	$1,178	$15,000
Total/Avg.	2,442	$389,000	$3,112,000	$161	$1,292	$12,500

Comments:
There is a 1/8 interest for each unit where you pick 3 weeks between November - April and 3 weeks between May - October. There are 34 units opening in January 2008, which are 30% sold. All parking underground. Unlimited golf with carts, no extra fees.

Jackson Gore Inn at Okemo, Ludlow, Vermont

Jackson Gore Inn is a condominium-hotel development located at the base of Okemo Mountain in Ludlow, Vermont. Okemo is already considered one the premier ski resorts in the Northeast. In an attempt to brand itself as a four-season destination location, the Jackson Gore development will also include the creation of two new golf courses (to complement the existing course), a fitness and aquatic center and outdoor skating rink upon completion of the development.

The first phase of Jackson Gore Inn, which was constructed in 2005 was completely sold out, but currently has units for resale. The Inn is comprised of 117 condominium-hotel units. The residences range in size from a 390 square foot studio unit to a 1,870 three bedroom units. Jackson Gore Inn is a quarter-share fractional ownership structure, where owners are entitled to 13 weeks per year (or approximately one week per month) on a rotational basis. Quarter-shares at Jackson Gore Inn reportedly sold for approximately $150 to $200 per square foot. The resale units are selling from $65,000 for a 390 square foot studio to $300,000 for a 1,799 square foot three-bedroom three-bathroom condominium. All of the residences operate under the RCI exchange program. Therefore, all owners can utilize over 4,000 different locations worldwide. Table 17 summarizes the current resale listings on the market at Jackson Gore Inn.

TABLE 17
JACKSON GORE INN AT OKEMO
LUDLOW, VT
AVAILABLE UNITS

	Size		Price		Annual Price		Price Per Square Foot		Annual Price Per Sq. Foot		Annual Maintanence
Unit Type	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Fees
Studio	390	500	$75,000	$105,000	$300,000	$420,000	$192	$210	$769	$840	$2,012
One-Bedroom	775	954	$114,000	$130,000	$456,000	$520,000	$147	$136	$588	$545	$4,100
Two-Bedroom	1,100	1,400	$170,000	$255,000	$680,000	$1,020,000	$155	$182	$618	$729	$6,200
Three-Bedroom	1,800	1,800	$280,000	$300,000	$1,120,000	$1,200,000	$156	$167	$622	$667	$9,000
Total/Avg.	1,016	1,164	$159,750	$197,500			$162	$174	$650	$695	$5,328

Comments:
There is a 1/4 interest for each unit where you receive 13 weeks throughout the year on a rotating basis. There are 117 units total where 10 - 14% are usually on the market at any given time.

Killington Grand Resort Hotel & Crown Club, Killington, Vermont

The Killington Grand Hotel is located in Killington Village and currently offers 200 guestrooms and fractional units. Additionally, the hotel offers 15,000 square feet of function space, a full-service restaurant, an outdoor pool, two outdoor hot tubs, a fitness center, a childcare center, an 18-hole golf course and summer tennis courts. Owners of fractional units at the resort have access to a private lounge, library and locker room. The resort is an active participant in the RCI Gold Crown Exchange program. The available fractional units are detailed below.

TABLE 18
KILLINGTON GRAND HOTEL & CROWN CLUB
KILLINGTON, VT
AVAILABLE UNITS

	Size		Price		Annual Price		Price Per Square Foot		Annual Price Per Sq. Foot		Annual Maintanence Fees
Unit Type	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Fees
One-Bedroom	677	795	$69,000	$70,000	$276,000	$280,000	$102	$88	$408	$352	$5,086
Two-Bedroom	1,055	1,516	$99,500	$140,999	$398,000	$563,996	$94	$93	$377	$372	$9,076
Three-Bedroom	1,572	1,766	$118,000	$155,000	$472,000	$620,000	$75	$88	$300	$351	$11,470
Total/Avg.	1,101	1,359	$95,500	$122,000			$90	$90	$362	$358	$8,544

Comments:
There is a 1/4 interest for each unit that is set for a specific time each year. There are 100 total units.

Demand Analysis – Condominium-Hotel Units

Although it is difficult to measure the exact amount of demand for this type of unit, we have performed an analysis that depicts the depth of the market. U.S. Census statistics show that approximately 2.4% of the U.S. households earn more than $150,000 per year. Due to the affluent nature of visitors from the New York Metropolitan area, we have assumed that 10% of the visitors to the area earn greater than $150,000 per year.

The Dutchess County Tourism Department reported that 3.6 million people visited Dutchess County in 2001, which is the most recent data available on visitor counts. We have assumed that the number of visitors has increased by 5.0% since 2001, resulting in an annual visitor estimate of 3.78 million people. Based on this estimate of 10% of visitors earning more than $150,000 and converting the 3.78 million visitors to Dutchess County to households, there are approximately 145,385 income-qualified households that visit the area each year.

Based on data from D.K. Shifflet, approximately 79% of income-qualified households do not own a second home, thus one can extrapolate that there are 114,854 income-qualified visitors to Dutchess County each year that do not currently own a second home. Based on a survey conducted by Ragatz Associates, approximately 35% of income qualified households express an interest in the concept once they learn more about the process and the project, which yields 40,199 potential buyers of fractional units that visit Dutchess County each year. Assuming that 5.0% of these potential buyers have an interest in owning a fractional in Dutchess County, the annual demand for fractional units in Dutchess County is 2,010. Table 25 depicts the calculation used in this analysis.

Due to the current state of the residential market in Dutchess County and the surrounding New York metropolitan area, the scarcity of luxury condominium-hotel units in the market, the strong reputation of the RAMSA and Leading Hotels of the World brands, and the accessibility of the Silo Ridge site from Manhattan via train for residents, we believe there is a strong market for a limited condominium-hotel ownership component.

Additionally, condominium-hotel ownership units at the Silo Ridge development will be beneficial to the developer and resort operator because they offer higher unit purchase prices, they allow for resort occupancy during the off-seasons (because of the rotating assignment of weeks to the multiple owners), they receive great acceptance in the second-home residential market, and they create the opportunity to target a broader income market. It should be noted however, that marketing expenses tend to be higher for condominium-hotel unit sales due to the great volume of sales necessary to sell all of the units.

TABLE 19
CONDOMINIUM-HOTEL UNIT DEMAND ANALYSIS
DUTCHESS COUNTY

Number of Annual Visitors to Dutchess County	3,780,000
---Percent of Dutchess County Visitors earning >$150,000 (1)	10.0%
---Percent of U.S. Households earning >$150,000 (2)	2.4%
Income Qualified Visitors to Dutchess County	378,000
Conversion to Housholds @ 2.6 persons per household (2)	145,385
Percent of Income Qualifed U.S. Households that do not own a second home (3)	79.0%
Visitors to Dutchess County who do not own a second home	114,854
Percent of Income Qualified U.S. Households that do not own a second home and express interest in owning a fractional	35.0%
Potential Buyers of Fractional Ownership (4)	40,199
Percentage of Qualified Visitors Interested in Purchase	5.0%
Annual Fractional Demand in Dutchess County	2,010

(1) Estimate by The Weitzman Group, Inc.
(2) United States Bureau of the Census
(3) D.K. Shifflet research presented in Hobson Ferrarini Associates Report.
(4) 2005 Fractional Ownership Market Profile, Ragatz Associates

Source: Projections by The Weitzman Group, Inc.

Housing Demand Analysis

Utilizing the data from the demographic analyses, we have analyzed the ease of market entry of the residential components at the proposed Silo Ridge Development. This task is accomplished by: (1) estimating the underlying demand for primary and secondary housing in the market area; (2) projecting the annual absorption of the various unit types at Silo Ridge; and, (3) estimating the percent of total demand that the project must capture in order to order to achieve the projected level of absorption. Not only does this analysis provide a significant test of overall project marketability and ease of market entry, but it also defines the level of investment risk in the recommended development.

We have conducted two separate housing demand analyses to reflect those residential components in which the primary demand will be derived from households seeking a secondary vacation residence and for those households in which Silo Ridge would serve as primary residences. It is our belief that the units located within the townhomes, condominiums, golf villas and condominium-hotel components would primarily be utilized as secondary residences while the single family mountainside homes and active adult villas will attract a greater percentage of full-time, or primary, residents.

The prospective housing market for the proposed Silo Ridge Development includes the six market areas defined in our demographic analysis section. Three of the market areas are located within the regional vicinity of the development site. These include Dutchess County, Litchfield County, and Berkshire County, ("Regional market area"). The other three of the market areas are located in and around New York City. These market areas include: Manhattan, Westchester County, New York, and the Bergen-Passaic MSA (Metropolitan New York market area). All six market areas will serve as potential demand generators for the second home residential units.

Demand for the single-family Mountainside residences will primarily be derived from those currently residing within Dutchess, Litchfield, and Berkshire Counties, although some demand could come from Westchester and Manhattan residents as well. It is noted that additional demand for secondary homes could come from other locations throughout the Northeast; however, we have only relied on the primary New York metropolitan market area to be certain that sufficient demand exists.

We have determined the required household income to afford a secondary residential unit at Silo Ridge, as shown in a calculation depicted in Exhibit C of the Addenda. Excluding the income-tax benefits of home ownership, this analysis shows that a household would require approximately $185,000 in annual income to afford one of the least expensive units at the development. These units would include one-, two- and three-bedroom units located in the condominium hotel component. Likewise, a household would require approximately $540,000 in annual income to purchase a high-end condominium-hotel unit priced at $1,560,000. On average, the 'least expensive' Flats units are priced at $687,500 (based on developer's pricing) while the 'most expensive' Flats units are priced at $934,000. In order to purchase one of the Flats units, a household would require an annual income between approximately $288,000 and $346,000. A household would require approximately $445,000 in annual income to afford the $1.25 million second home residential townhouse unit. The 60 single family residences and villas are priced between $1.95 million and $2.9 million. Therefore, a household would have to earn an annual income of approximately $595,000 to afford the 'most expensive' unit.

We have utilized income thresholds of $200,000 and over based on household statistics provided by Demographics Now and U.S. Census Bureau for the "least expensive" units. We have further utilized income thresholds of both $250,000 and over, as well as $500,000 and over for the "average" secondary residential unit.[1]

We have also determined the required household income to afford one of the proposed 60 single family mountainside homes and villas at Silo Ridge. Excluding the income tax benefits of home ownership, this analysis shows that a household would require approximately $1.5 million in annual income to afford one of these residences. We have utilized income thresholds of $500,000 and over for the single-family residences.

In order to determine the household demand for second home residential units at the proposed development, we have estimated the "Usual Residence Elsewhere" (or URE) which is the percentage of

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[1] It is noted that US Census does not publish any greater of a delineation in households' income statistics between the $250,000 and $500,000 thresholds.

the residences in a given market area that are utilized as seasonal or secondary residences. We have estimated the URE for the six market areas to be 2.0%.

As outlined in Table 20, we estimate total demand from households earning above $200,000 to be 176 households per year in the Regional market area, and 3,653 households per year in the Metropolitan New York market area. Thus, there is total demand of 3,829 households earning above $200,000 per year within all six market areas.

We have shown various projected capture rates for the residential units at the proposed development that range from one unit per month to ten units per month. The average monthly absorption rate of approximately 13 units takes into account the type of unit, recommended pricing and the phased construction of the project. Based on a projected annual absorption of 155 total second home residential units per year (or approximately 13 units per month), the project would need to capture 4.0% of the total market area demand. A more conservative annual absorption of 130 total second home residential units per year (or approximately 11 units per month) would yield a required capture rate of 3.4% of the total market area demand. Assuming a projected annual absorption of 105 total second home residential units per year (or approximately 9 units per month), the project would need to capture 2.7% of the total market area demand. These capture rates are reasonable and are not indicative of a high degree of development risk.

These capture rates do show that it is necessary for the project to position itself to capture demand from throughout the metropolitan area and beyond due to the unsustainable high capture rates for only Dutchess County and the surrounding counties.

TABLE 20
ANNUAL HOUSEHOLD DEMAND – SECONDARY RESIDENCES
ALL HOUSEHOLDS WITH ANNUAL INCOME GREATER THAN $200,000

	Dutchess County	Litchfield County	Berkshire County	**Subtotal**	Westchester County	Manhattan	Bergen-Passaic	**Subtotal**	Total Market Area
$200,000 - $249,000	1,610	1,110	344	**3,064**	10,744	19,642	12,065	**42,451**	45,515
$250,000 - $499,000	1,530	1,343	433	**3,306**	16,670	33,613	16,282	**66,565**	69,871
$500,000+	728	1,225	488	**2,441**	20,605	39,165	13,866	**73,636**	76,077
Total Households	3,868	3,678	1,265	**8,811**	48,019	92,420	42,213	**182,652**	191,463
Internal Demand Pool (1)	2%	2%	2%	**2%**	2%	2%	2%	**2%**	2%
Household Demand	77	74	25	**176**	960	1,848	844	**3,653**	3,829
Projected Annual Capture Rate 105 Total Res Units/Year (~ 9 units/month)	135.7%	142.7%	415.0%	59.6%	10.9%	5.7%	12.4%	2.9%	2.7%
Projected Annual Capture Rate 130 Total Res Units/Year (~ 11 units /month)	168.0%	176.7%	513.8%	73.8%	13.5%	7.0%	15.4%	3.6%	3.4%
Projected Annual Capture Rate 155 Total Residential Units/Year (~13 units /month)	200.4%	210.7%	612.6%	88.0%	16.1%	8.4%	18.4%	4.2%	4.0%

(1) Based on the % of seasonal and occasional use (URE, "Usual Residence Elsewhere") households in the region

Source: SRC; IRS; US Census Bureau; Demographics Now; projections by The Weitzman Group, Inc.

Furthermore, we have also looked at the annual household demand for households earning above $250,000, which will be the necessary income to afford the majority of the residential units at Silo Ridge. As shown in Table 21 on the following page, we estimate total demand from households earning above $250,000 to be 115 households per year in the Regional market area, and 2,804 households per year in the Metropolitan New York market area. In total, there is annual demand from 2,919 households earning above $250,000 per year within all six market areas.

Based on a projected annual absorption of 155 total second home residential units per year (or approximately 13 units per month), the project would need to capture 5.3% of the total market area demand. A more conservative annual absorption of 130 total second home residential units per year (or approximately 11 units per month) would yield a required capture rate of 4.5% for the total market area demand. Assuming a projected annual absorption of 105 total second home residential units per year (or approximately 9 units per month), Silo Ridge would need to capture 3.6% of the total market area demand. These projected capture rates are also reasonable and show that the property's ease of market entry should be relatively smooth.

TABLE 21
ANNUAL HOUSEHOLD DEMAND – SECONDARY RESIDENCES
ALL HOUSEHOLDS WITH ANNUAL INCOME GREATER THAN $250,000

	Dutchess County	Litchfield County	Berkshire County	**Subtotal**	Westchester County	Manhattan	Bergen-Passaic	**Subtotal**	Total Market Area
$250,000 - $499,000	1,530	1,343	433	**3,306**	16,670	33,613	16,282	**66,565**	69,871
$500,000+	728	1,225	488	**2,441**	20,605	39,165	13,866	**73,636**	76,077
Total Households	2,258	2,568	921	**5,747**	37,275	72,778	30,148	**140,201**	145,948
Internal Demand Pool (1)	2%	2%	2%	**2%**	2%	2%	2%	**2%**	2%
Household Demand	45	51	18	**115**	746	1,456	603	**2,804**	2,919
Projected Annual Capture Rate 105 Total Res Units/Year (~ 9 units/month)	232.5%	204.4%	570.0%	91.4%	14.1%	7.2%	17.4%	3.7%	3.6%
Projected Annual Capture Rate 130 Total Res Units/Year (~ 11 units/month)	287.9%	253.1%	705.7%	113.1%	17.4%	8.9%	21.6%	4.6%	4.5%
Projected Annual Capture Rate 155 Total Residential Units/Year (~ 13 units/month)	343.2%	301.8%	841.5%	134.9%	20.8%	10.6%	25.7%	5.5%	5.3%

(1) Based on the % of seasonal and occasional use (URE, "Usual Residence Elsewhere") households in the region

Source: SRC; IRS; US Census Bureau; Demographics Now; projections by The Weitzman Group, Inc.

In order to gauge the depth of demand from higher-income households, we have also examined demand from households earning great than $500,000 per year who would be the target market for units priced above $1,000,000. We estimate total demand from households earning above $500,000 to be 49 households per year in the Regional market area, and 1,473 households per year in the Metropolitan New York market area. In total, there is annual demand from 1,522 households earning above $500,000 per year within all six market areas.

Based on a projected annual absorption of 36 total second home residential units priced above $1,000,000 per year (or 3 per month), the project would need to capture 2.4% of the total market area demand. A more conservative annual absorption of 24 total second home residential units priced in excess $1,000,000 per year (or 2 per month) would yield a required capture rate of 1.6% for the total market area demand. Assuming a projected annual absorption of 12 total secondary residential units priced above $1,000,000 per year (1 per month), the project would need to capture 0.8% of the total market area demand. These projected capture rates are reasonable and show that the property's ease of market entry should be relatively smooth. See Table 22 for the household demand for secondary residences at Silo Ridge from households earning an annual income of $500,000 and greater.

TABLE 22
ANNUAL HOUSEHOLD DEMAND – SECONDARY RESIDENCES
ALL HOUSEHOLDS WITH ANNUAL INCOME GREATER THAN $500,000

	Dutchess County	Litchfield County	Berkshire County	**Subtotal**	Westchester County	Manhattan	Bergen-Passaic	**Subtotal**	Total Market Area
$500,000+	728	1,225	488	**2,441**	20,605	39,165	13,866	**73,636**	76,077
Total Households	728	1,225	488	**2,441**	20,605	39,165	13,866	**73,636**	76,077
Internal Demand Pool (1)	2%	2%	2%	**2%**	2%	2%	2%	**2%**	2%
Household Demand	15	25	10	**49**	412	783	277	**1,473**	1,522
Projected Annual Capture Rate 12 Total $1M+ Res Units/Year (1 unit/month)	82.4%	49.0%	122.9%	24.6%	2.9%	1.5%	4.3%	0.8%	0.8%
Projected Annual Capture Rate 24 Total $1M+ Res Units/Year (2 units/month)	164.8%	98.0%	245.9%	49.2%	5.8%	3.1%	8.7%	1.6%	1.6%
Projected Annual Capture Rate 36 Total $1M+ Residential Units/Year (3 units/month)	247.2%	146.9%	368.8%	73.7%	8.7%	4.6%	13.0%	2.4%	2.4%

(1) Based on the % of seasonal and occasional use (URE, "Usual Residence Elsewhere") households in the region

Source: SRC; IRS; US Census Bureau; Demographics Now; projections by The Weitzman Group, Inc.

The Weitzman Group, Inc. has also analyzed the potential annual household demand in the market based on the 41 single-family mountain residences and 19 Golf Villas. As previously mentioned, The Weitzman Group, Inc. believes that the primary source of demand for those residences will be derived from those households currently residing within Dutchess, Litchfield, and Berkshire Counties. We have utilized an income threshold of $500,000 and over for the single-family residences and Golf Villas.

We looked to households earning above $500,000 annually, which will be the necessary income many of the more expensive Mountainside residences. We estimate total demand from households earning above $500,000 to be 146 households per year in the three counties that comprise the regional market area. Based on a projected annual absorption of twelve Mountainside homes per year (or one home per month), the project would need to capture 8.2% of the total market area demand. This projected capture rate is higher, yet still relatively reasonable given the unique characteristics of the Silo Ridge property. Furthermore, it is noted that some of these buyers may also come from in Westchester and Manhattan. See Table 23 for our household demand calculations for the single-family homes and Golf villas at Silo Ridge.

TABLE 23
ANNUAL HOUSEHOLD DEMAND
SINGLE FAMILY MOUNTAINSIDE RESIDENCES & GOLF VILLAS
ALL HOUSEHOLDS WITH ANNUAL INCOME GREATER THAN $500,000

	Dutchess County	Litchfield County	Berkshire County	**Total**
$500,000+	728	1,225	488	**2,441**
Total Households	728	1,225	488	**2,441**
Internal Mobility	6%	6%	6%	**6%**
Household Demand	44	74	29	**146**
Projected Annual Capture Rate 12 Total Single Family Res /Year	27.5%	16.3%	41.0%	**8.2%**

Source: US Census Bureau; Demographics Now; projections by The Weitzman Group, Inc.

RECOMMENDED UNIT MIX AND PRODUCT POSITIONING

Condominium-Hotel Units

We recommend offering 75 condominium-hotel units as part of the proposed residential component with ¼ ownership shares (13 weeks per year). The condominium-hotel units will have access to the hotel amenities, including the spa, and will be managed by Leading Hotels of the World.

For-Sale Residential Components

The residential development plan will provide for a mix of townhomes, condominium units and single-family residences. An overview of each residential component, along with our recommendations for unit mix, unit sizes, and proposed pricing is discussed below.

Townhouse Component

The residential development includes clusters of townhouse buildings to be located throughout the site which will border various holes of the golf course. Each townhouse building will be comprised of four townhomes and will be developed in clusters of four to twelve buildings. Based on the architectural plans developed by Robert A.M. Stern Architects, townhouse clusters have been situated as to avoid too much density in any one particular location on the site.

Each multi-story townhouse will include an elevator and an attached garage with direct internal access to the unit. It has been proposed that all parking throughout the community will be hidden or located underground. These building features will greatly enhance the marketability of the units, particularly to the empty nesters and early retirees.

In our opinion, the target market for the proposed townhouse units at this location will include: (1) young, high-income households (some families) who live in a major urban core (primarily New York City) that travel to Dutchess County, or the surrounding area, for recreation and relaxation purposes on a regular basis; (2) older, empty-nester households who have sold their family home and purchased a condominium in a warmer climate, but who seek to maintain a secondary residence in the region.

Table 24 depicts our recommended unit mix for the townhouse component. As previously mentioned, there are 142 townhouse residences, which include a mix of two and three bedroom units ranging in size from 1,100 square feet to 2,550 square feet. Of the 142 for-sale townhouse residences, the two bedroom units account for 21% of the inventory while the three bedroom units account for 89% of the for-sale townhouse units. The townhomes should include a mix of two and three-bedroom units and range in size from approximately 1,800 to 2,850 square feet. These units will appeal to both the smaller families and empty-nester markets, the likely purchasers at the site.

TABLE 24
THE WEITZMAN GROUP PROJECTIONS
SILO RIDGE
AMENIA, NEW YORK

Unit Type	# of Units	Avg Sq. Ft.
Townhouse Lower Flats	19	1,225
Townhouse Stacked	54	1,876
Vineyard Townhouse	23	1,911
Townhouse 22' Wide	30	2,234
Townhouse 28' Wide	16	2,334

Source: Millbrook Venture and recommendations by The Weitzman Group, Inc.

Condominium Components

The condominium residences at the Silo Ridge development will be comprised of multiple components situated throughout the development; including two- and three-story flat condominium buildings located within the immediate Silo Ridge resort and at the Silo Ridge vineyard location, the “first floor master bedroom units” and the “Golf Villas.”

The two and three story condominium buildings will be located throughout the development and will be alternated with townhouse buildings. Additionally, 23 condominium units will be developed in the vineyard area of the Silo Ridge community at a later construction phase of the project. We have recommended 40 “Condo Flat” units. These condominium units will be stacked and parking will be hidden or located underground. The pricing premiums for better views and locations will be adjusted once the property is more established. The condo flat will be primarily located within the “Village” section of the resort.

The “first floor master bedroom units” will be three bedroom units located along the golf course with direct views of the clubhouse. It is the opinion of The Weitzman Group, Inc. that 21 first floor master bedroom units are acceptable and aligned with the residential market. These units will be designed so that the master bedroom and bath is located on the ground floor and the guest bedrooms and baths will be located on the upper floors. This design will directly appeal to older, empty-nesters who do not want to climb stairs. Additionally, these units will differentiate the product types offered at the site.

The golf villas will be located next to the clubhouse and will be constructed as clustered single-family units. The units will be large in size, ranging from 2,750 square feet to 3,200 square feet, with three to four bedrooms. We believe that the 19 golf villa units planned for the Silo Ridge development are marketable and can be supported by the areas’ residential demand. The structures will be designed as single-family units with two-car parking garages. The pricing premium for the better views will be higher once the property’s program is more established.

The target market for the proposed condominium units at this location will include: (1) individuals/singles who are avid golf and/or outdoor enthusiasts and seeking the benefits of an socially-active resort environment, (2) young, high-income households (some families) who live in a major urban core (primarily New York City) that travel to Dutchess County, or the surrounding area, for recreation and relaxation purposes on a regular basis; and (3) older, empty-nester households who have sold their family home and purchased a residence in a warmer climate, but who seek to maintain a secondary residence in the region.

Table 25 depicts our recommend unit mix for the condominium flat units, the vineyard condominium units, active adult villas and golf villas. We have recommended a very similar overall unit mix for the condominium flat units and the vineyard condominium units; however, we have made adjustments to the dispersion of units among unit types for better alignment with the residential market. For the condominium flat units, we have recommended the addition of a one-bedroom unit to add a different price point and size. Additionally, we recommend that the condominium flat units located within the Silo Ridge resort will be a mix of one, two and three bedroom units that range in size from approximately 1,050 to 1,800 square feet. The outlying condominium units located in the vineyard will be a mix of two and three bedroom units.

TABLE 25
THE WEITZMAN GROUP PROJECTIONS
SILO RIDGE
AMENIA, NEW YORK

Unit Type	# of Units	Avg Sq. Ft.
Condominium Flats	40	1,456
Vineyard Flats	23	1,366
Active Adult Villas	14	2,221
Golf Villas	19	2,984
Total / Average	96	1,848

Source: Millbrook Venture and recommendations by The Weitzman Group, Inc.

The active adult units should be large enough to accommodate empty-nesters that are often visited by extended family. The primary design difference with this unit is the location of the master suite on the ground floor. This will serve to more easily capture the older, empty-nester market and again further differentiate the for-sale product offered at the development.

We recommend that 100% of the active adult villas should be three-bedroom units ranging from 1,900 to 2,650 square feet in size with the greatest concentration of units ranging between 2,100 square feet and 2,300 square feet. We also recommend that only 10% of the condominium flats should include three large bathrooms as opposed to just two full bathrooms.

Aside from the mountainside homes, the golf villa units will be the largest fee simple single-family units offered at the Silo Ridge resort. Because they are the largest, we recommend a limited number of units. Currently, the developer’s unit mix allocates 19 golf villa units, which we believe can be marketable and supported by the regional residential market. These units, in particular, will be sought by young professionals and avid golfers whose primary residence is in Manhattan. It is our belief that these units will be purchased as vacation homes for families and middle-age couples whose primary residence is in New York City, but want to “escape” on the weekends.

We recommend that 13 of the 19 golf villas should be three-bedroom units ranging from 2,750 to 3,000 square feet in size. The remaining units should be four-bedroom units measuring approximately 3,200 square feet in size.

Golf Mountainside Single Family Homes

The overall residential development plan also includes the construction of 41 single-family estate homes. These residences will be built into the mountainside and line the western portion of the golf course. The 41 homes will enjoy some of the most spectacular views of the surrounding countryside and into Litchfield County, Connecticut. Approximately one-half of the homes will have backyards that directly adjoin the golf course, while the other twenty will be located higher into the hillside and therefore will benefit from superb views of the valley below.

The Mountainside Golf Homes should be most appealing to households currently residing in large estate homes throughout Dutchess County and the surrounding area that are seeking a primary residence at the site. These homes will also serve as: (1) a family retreat for high-income households who live in a major urban center (primarily New York City) and who are seeking a second weekend home for recreation and relaxation; (2) those looking for primary residences who are willing to accept a longer commute to afford such a home; and (3) older, empty-nester households who have sold their family home and purchased a condominium in a warmer climate, but who seek to own a single-family style home in the region, where multigenerational family gatherings can take place.

We recommend that the estate homes be large in size to accommodate family gatherings. The residences should include a mix of three, four and five bedroom homes, ranging in size from approximately 4,000 to 6,000 square feet. We recommend that approximately 56% of the residences should include either three bedroom homes ranging in size from 4,000 to 4,400 square feet. Approximately 34% of the estate homes should be four-bedroom homes ranging from 4,800 to 5,400 square feet in size. Finally, we recommend that approximately 10% of the residences should be large, five-bedroom homes measuring 6,000 square feet in size. It is noted that the individual design, floor plan and build-out of these homes will be customized be each owner, yet we recommend that the developer control both the “design” and “build” processes.

TABLE 26
THE WEITZMAN GROUP PROJECTIONS
SILO RIDGE
AMENIA, NEW YORK

Unit Type	# of Units	Avg Sq. Ft.
Single Family Homes	41	4,644

Source: Millbrook Venture and recommendations by The Weitzman Group, Inc.

Final Conclusions- Residential Units

For the residential units at Silo Ridge, we have estimated the market sale prices of the units types within each component of the project: the condominium units, the townhouse units, the Vineyard units, the Golf Villas, the active-adult units, the single family residences and the condominium-hotel units. For the pricing of the residential units, we have relied on sales in the marketplace of both single family and multi-family product. We have focused on the prices per square foot achieved in the marketplace, but have also taken into consideration the absolute prices for the various units, as well as the distribution of projected prices within each component of the product.

It is our opinion that the proposed development will achieve a pricing premium based on the Leading Hotels of the World operating brand as well as the ability to offer hotel services as an amenity. Currently, condominium developments and condominium hotel developments throughout the country with a significant brand affiliation (Ritz Carlton, Four Season, St. Regis, etc.) are able to command a strong pricing premium in the marketplace, although these brands are likely somewhat showier than Leading Hotels of the World.

The summary of the submitted pricing for residential and condominium-hotel units at Silo Ridge for the Draft Environmental Impact Statement can be found in Table 27 below. It is our opinion that the projected pricing, on an absolute price basis, is readily achievable based on the concept and architectural plans for the Silo Ridge project. It is noted that the projected pricing for the residential units at the Silo Ridge could exceed this pricing schedule, as there are no direct comparables in the market today that will offer the proposed property type, amenities, service level, variety of uses or views.

TABLE 27
SILO RIDGE RESIDENTIAL UNIT PRICING
SUBMITTED FOR
DRAFT ENVIRONMENTAL IMPACT STATEMENT

Unit Type	Number of Units	Estimated Price per Unit
Single Family & Villa Units	60	$1,950,000 to $2,900,000
Flats Units	153	$687,500 to $934,000
Townhouse Units	146	$1,100,000 to $1,250,000
Condominium-Hotel Units	300	$360,000 to $1,560,000

Source: Millbrook Ventures, LLC

Based on our research, it is our opinion that a strong market exists for a well-conceived, mixed-use residential and hotel development at the site. If properly designed, Silo Ridge should become a premier golf and recreational resort destination in the Northeast. We believe these conclusions to be stronger if the property becomes associated as part of the Leading Hotels of the World brand. Leading Hotels of the World is a luxury brand that is growing in popularity and presence, especially among residents of the Northeast United States.

Based on our housing demand analysis, there is a sufficient level of underlying demand to absorb the proposed for-sale residential units at the site. The indicated capture rates are reasonable for the Regional and Metropolitan New York market areas. The hotel component must offer first-class guest and concierge services, a luxury spa, upscale healthy cuisine, boutique shopping and retail options on-site, as well as access to various outdoor recreational activities.

The entire Silo Ridge community is being designed by Robert A.M. Stern Architects, a very highly-regarded architecture firm that has been a major player in many of Walt Disney World's development projects; the planning and renovation of Times Square in New York City; and, the campus planning of Harvard Law School, Georgetown University, and the College of Notre Dame of Maryland. The golf course will be a signature design by Ernie Els, a well known and likeable PGA Tour Professional; however, this will be Mr. Els first course design, thus his name as a designer may not attract a buyer as much as other name designers.

Furthermore, the membership component of the development will further enhance the exclusive nature of the property and assist in the marketability of the residential homes. Overall, the resort setting, proximity to New York City, the planned amenities and the proximity to the train will position the property as a truly desirable destination.

In summary, Silo Ridge should be well-positioned in the marketplace to achieve (1) a relatively high rate of absorption and a high price point for both the for-sale residential and condominium-hotel units, (2) occupancy and rate premiums over the Dutchess County hotel market through its branded, luxury hotel operations, and (3) even greater awareness and exposure, given the potential associated with the Leading Hotels of the World brand, which is a brand that is becoming increasingly well known by affluent residents in the Northeast.

This report reflects research and analysis we conducted in the Summer of 2007 and February 2008. Please note that our analysis is subject to the Terms and Limiting Conditions contained in the Addenda. We have enjoyed working with you on this assignment. Please call us if you have any questions or comments regarding this analysis.

Respectfully submitted,

THE WEITZMAN GROUP, INC.

Marilyn Kramer Weitzman, MAI, CRE, FRICS
President

Keith A. Brenan
Senior Vice President

Kelly M. Davis
Senior Associate

EXHIBIT A

BASIC ASSUMPTIONS AND LIMITING CONDITIONS

BASIC ASSUMPTIONS AND LIMITING CONDITIONS

This memorandum has been solely prepared for the client identified in the letter of transmittal and throughout the report. It is to be expressly utilized by the client for the purposes so stated, and no reliance is to be placed on this report for any other purposes. This report may not be utilized in conjunction with any securitized transaction without the express permission of The Weitzman Group, Inc. The rights to any information contained in this report, unless furnished by outside sources, are exclusively those of The Weitzman Group, Inc. This report must be read in its entirety and neither all nor portions of this report may be reproduced, published or shown to other parties without the express written authorization of The Weitzman Group, Inc.

The date to which the opinions expressed in this memorandum apply is set forth in the letter of transmittal. The signatories assume no responsibility for economic or physical factors occurring at some later date, which may affect the opinions herein stated. Any aberrations and/or dramatic changes of prevailing economic conditions as of the date of analysis may impact our conclusions.

No opinion is intended to be expressed for legal matters or those that would require specialized investigation or knowledge beyond that ordinarily employed by the real estate profession, although such matters may be discussed in the report.

Data relative to the size of the units were taken from sources considered reliable. Maps, plats, graphics and exhibits if included herein, are for illustration purposes only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.

The rendering in this report does not presume the right of expert testimony or attendance in court or at any other hearing, unless such arrangements are made a reasonable time in advance by mutual agreements.

The signatories of this report represent that they have no current or contemplated interest in any properties within the market study area covered by this report.

Disclosure of the contents of this market study report and/or its use is governed by the Bylaws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report especially any conclusions, the identity of the consultants or firm with which they are connected, or any reference to the Appraisal Institute or the MAI designation shall be disseminated to the public through advertising media, public relations media, sales media, news media, or any other public means of communication without the prior written consent and approval of the consultants. As previously mentioned, this document may not be utilized for any reporting in conjunction with a securitization transaction without the express written permission of The Weitzman Group, Inc.

This study has been prepared in conformity with and subject to the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute. As a memorandum, this report does not include full discussions of the data, reasoning, and analyses that were used in the study’s process to develop the consultant’s opinions. Full documentation has been retained in our files.

The marketability analysis was conducted by Marilyn K. Weitzman, Keith A. Brenan and Kelly M. Davis from the Summer of 2007 to February 2008. We have relied on information relative to the proposed project as supplied by Millbrook Ventures and Robert A.M. Stern Architects and have assumed such information to be correct at this stage in the due diligence process.

EXHIBIT B

CERTIFICATION OF CONSULTANTS

CERTIFICATION OF CONSULTANTS

We hereby certify that The Weitzman Group, Inc. was engaged to provide market research on the depth of the residential market and the projected residential pricing for a proposed mixed-use resort development initiative in Amenia, New York.

Neither The Weitzman Group, Inc. nor we have any present or contemplated future interest in the real estate in any of the markets that have been analyzed in this report.

We have no personal interest or bias with respect to the subject matter of the memorandum or the parties involved.

To the best of our knowledge and belief the statements of fact contained in this memorandum, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct.

This memorandum sets forth all of the limiting conditions (imposed by the terms of our assignment or by the undersigned) affecting the analysis, opinions and conclusions contained in this memorandum.

The marketability analysis was conducted by Marilyn K. Weitzman, Keith A. Brenan and Kelly M. Davis from the Summer of 2007 through February 2008.

Our fee for this marketability analysis is not contingent upon the conclusions reported or upon anything else other than the delivery of this memorandum.

This marketability analysis has been made in conformity with and is subject to the requirements of The Uniform Standards of Professional Practice of The Appraisal Foundation. It is also subject to the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

The Appraisal Institute conducts a program of continuing education for its designated members. Members who meet the minimum standards of this program are awarded periodic educational certification. As of the date of this report, Marilyn Kramer Weitzman has completed the requirements under the continuing educational program of the Appraisal Institute.

By: ________________________
Marilyn Kramer Weitzman, MAI, CRE, FRICS
President

By: ________________________
Keith A. Brenan
Senior Vice President

By: ________________________
Kelly M. Davis
Senior Associate

EXHIBIT C

AFFORDABILITY ANALYSIS

AFFORDABILITY ANALYSIS - SECONDARY RESIDENCES
FRACTIONAL UNITS

	LOW-END	HIGH-END	
Estimated Price	$360,000	$1,560,000	
Mortgage Percentage	75.0%	75.0%	Assumes 25% down Payment
Amount of Mortgage	$270,000	$1,170,000	
Assumed Interest Rate	7.50%	7.50%	Assumes 30-year fixed, 100 basis points above today's average
Projected Monthly Mortgage	$1,888	$8,181	
--Add-on Maintenance (1)	$988	$716	Estimated at $0.60 per square foot, per month.
--Add-on Real Estate Taxes (2)	$213	$154	Assumes $1.55 / s.f.
Total Monthly Housing Payment	$3,088	$9,051	
Total Annual Housing Payment	$37,057	$108,608	
Required Income	$185,285	$543,042	Assumes 20% of pre-tax income is devoted to housing

(1) Maintenance charges are estimated at $0.60 per square foot, per month.
(2) Real estate taxes are estimated at $1.55 / s.f. annually

Source: Based on Developer Pricing; projections by The Weitzman Group, Inc.

THE WEITZMAN GROUP, INC.
Real Estate Consultants

AFFORDABILITY ANALYSIS - SECONDARY RESIDENCES
FLATS UNITS

	LOW-END	HIGH-END	
Estimated Price	$687,500	$934,000	
Mortgage Percentage	75.0%	75.0%	Assumes 25% down Payment
Amount of Mortgage	$515,625	$700,500	
Assumed Interest Rate	7.50%	7.50%	Assumes 30-year fixed, 100 basis points above today's average
Projected Monthly Mortgage	$3,605	$4,898	
--Add-on Maintenance (1)	$988	$716	Estimated at $0.60 per square foot, per month.
--Add-on Real Estate Taxes (2)	$213	$154	Assumes $1.55 / s.f.
Total Monthly Housing Payment	$4,806	$5,768	
Total Annual Housing Payment	$57,666	$69,215	
Required Income	$288,332	$346,074	Assumes 20% of pre-tax income is devoted to housing

(1) Maintenance charges are estimated at $0.60 per square foot, per month.
(2) Real estate taxes are estimated at $1.55 / s.f. annually

Source: Based on Developer Pricing; projections by The Weitzman Group, Inc.

THE WEITZMAN GROUP, INC.
Real Estate Consultants

AFFORDABILITY ANALYSIS - SECONDARY RESIDENCES
TOWNHOUSE UNITS

	HIGH-END	
Estimated Price	$1,250,000	
Mortgage Percentage	75.0%	Assumes 25% down Payment
Amount of Mortgage	$937,500	
Assumed Interest Rate	7.50%	Assumes 30-year fixed, 100 basis points above today's average
Projected Monthly Mortgage	$6,555	
--Add-on Maintenance (1)	$716	Estimated at $0.60 per square foot, per month.
--Add-on Real Estate Taxes (2)	$154	Assumes $1.55 / s.f.
Total Monthly Housing Payment	$7,425	
Total Annual Housing Payment	$89,100	
Required Income	$445,502	Assumes 20% of pre-tax income is devoted to housing

(1) Maintenance charges are estimated at $0.60 per square foot, per month.
(2) Real estate taxes are estimated at $1.55 / s.f. annually

Source: Based on Developer Pricing; projections by The Weitzman Group, Inc.

THE WEITZMAN GROUP, INC.
Real Estate Consultants

AFFORDABILITY ANALYSIS
SINGLE-FAMILY HOMES & VILLAS

	HIGH END UNIT	Notes
Estimated Price	$2,900,000	
Mortgage Percentage	80.0%	Assumes 20% Down Payment
Amount of Mortgage	$2,320,000	
Assumed Interest Rate	7.00%	Assumes 30-year fixed, 100 basis points above today's average
Projected Monthly Mortgage	$15,435	
--Add-on Maintenance (1)	$403	Estimated at $0.10 per square foot, per month.
--Add-on Real Estate Taxes (2)	$503	Assumes $1.50 / s.f.
Total Monthly Housing Payment	$16,341	
Total Annual Housing Payment	$196,093	
Required Income	$594,222	Assumes 33% of pre-tax income is devoted to housing

(1) Maintenance charges are estimated at $0.10 per square foot, per month.
(2) Real estate taxes are estimated at $1.55 / s.f. annually

Source: Based on Developer Pricing; projections by The Weitzman Group, Inc.

EXHIBIT D

ADDITIONAL COMPARABLE RESORT PROPERTIES

The following section outlines additional resort locations that include residential components. These properties represent both branded and independent luxury residential product operated and sold as part of resorts communities throughout the United States.

Canyon Ranch Living, Tucson, Arizona

Located in the original Canyon Ranch resort in Tucson, Arizona, constructed single-family homes and home sites (plots of land to be built on by owner) are offered at Canyon Ranch Living. Located in the Sonoran Desert, the Canyon Ranch Living community measures 30 acres within the 150-acre Canyon Ranch development. Canyon Ranch Living, Tucson has been described by the brand as "a community of renewal and healing, energy and spirit, vision and endless possibility." Residents of Canyon Ranch Living have access to the spa and active-lifestyle services and facilities at the Canyon Ranch Resort.

Canyon Ranch Living, Miami Beach

Canyon Ranch Living in Miami, Florida is located at the corner of 68th Street and Collins Avenue in the Mid-Beach section of Miami. The Canyon Ranch site is currently under development, with 750 feet of frontage directly on the ocean. The development includes three towers, including one structure that is of 1950s vintage construction that will be adaptively reused as a condominium-hotel. In addition to the condominium-hotel units at the development, 433 condominiums will be constructed in two new structures. An additional 40 units will be located in a boutique tower north of the existing development site.

Units in Canyon Ranch Living are delivered "designer ready," as are most new condominiums in the Miami market. This means that kitchens and baths are complete, but that no flooring is installed in the unit. The purchaser is left to perform this work after closing; however some developers offer the ability to upgrade to a complete level of finish for an additional cost. The finishes at Canyon Ranch Living in Miami are of a luxury quality, including Della Casa kitchen cabinetry, Sub-Zero refrigeration, Miele cooking appliances, and granite countertops. Baths include whirlpool soaking tubs, limestone flooring, and granite vanity tops. The interiors of the property were designed by the Rockwell Group, with architecture by Arquitectonica, one of the nation's leading architecture firms. Residents have access to the 70,000 square foot Canyon Ranch SpaClub, a complete fitness and spa facility serving not only the residents of the development, but also the guests of the hotel component. The services offered in Miami are comparable to those that are offered at Canyon Ranch's other resort properties.

At Canyon Ranch Living, Miami Beach, the pricing for the one-, two-, three-bedroom, and penthouse residences will start at $355,000 and go as high as $3,000,000. These prices have not deterred those interested in the healthy-living community in the least—as of January 2007, it was disclosed that approximately 280 units had been spoken for at the new development.

Canyon Ranch Living, Bethesda, Maryland

As of September, 2006, the plans for a Canyon Ranch Living development in Bethesda, Maryland have been put on hold. The developer, The Penrose Group, had planned to construct a $1 billion residential community with a hotel component that would be branded and operated by Canyon Ranch. However due to the slowdown of the housing market and the increasingly high construction costs, The Penrose Group reports that the original development plan and construction budget must be re-analyzed.

The proposed Canyon Ranch Living was planned to include two 20-story towers with 434 condominiums ranging in price from $900,000 to $5 million. There were also plans for 157 hotel rooms, 87 luxury apartments, and a 90,000-square-foot spa and wellness center. As of September 2006, when the project was put on hold, the proposed living community had more than $50 million in reservations, which appeared to be outperforming the more traditional Bethesda residential market.

Canyon Ranch Living, Chicago, Illinois

Canyon Ranch Living, Chicago is currently being developed by L.R. Development Company, a Chicago-native development company. The development is located at Huron Street and Rush Street adjacent to St. James Cathedral, along the Magnificent Mile in Chicago, Illinois.

The development is planned to have a 67-story tower which will have 256 residential condominiums, 128 hotel condominiums, a 65,000-square-foot health and wellness center, a 100-seat gourmet restaurant featuring healthy cuisine, and parking. Also included in the development is 48,000 square-feet of offices for the Episcopal Diocese of Chicago. This project is the first urban application of the Canyon Ranch Living product. The amenities and services offered at Canyon Ranch Living, Chicago are directly aligned with those standard to the Canyon Ranch brand: luxury accommodations, an industry-leading spa facility, as well as services and consultations with trained wellness professionals.

The Appalachian at Mountain Creek Resort

As previously discussed, Mountain Creek is a mixed-use resort village development located approximately 45 miles northwest of New York City in Vernon, New Jersey (Sussex County). Developed by Intrawest, the four-season destination resort community is based around a 46-trail ski mountain, six area golf courses, a water park, and various hiking trails. In total, the master-planned community will be comprised of more than 1,700 residences, the Grand Resort Hotel and conference center, and over 65,000 square feet of retail space dispersed throughout the pedestrian village (including a day spa).

The Appalachian is a two-phased condominium-hotel component of Mountain Creek Resort. The first phase is comprised of 100 hotel units and was ready for occupancy in July 2006. The second phase will include an additional 77 units and is currently under construction. Both phases are completely sold-out, with the second phase reportedly selling out in a single day. The Appalachian has a mix of studio to three bedroom condominium-hotel units. Studio units range in size from 406 to 569 square feet and reportedly sold in the range of approximately $250,000 to $290,000, or approximately $510 to $615 per square foot. One bedroom units range in size from 593 to 717 square feet and reportedly sold from approximately $350,000 to $425,000, or approximately $590 per square foot. Two bedroom units range in size from 936 to 1,071 square feet and reportedly sold from approximately $550,000 to $600,000, or approximately $560 to $590 per square foot. The condo-hotel units included a fully-equipped gourmet kitchen, outdoor space in the form of terraces or balconies, and private ski lockers for the residents. Other amenities include a heated outdoor pool, two hot tubs, a private patio with heated walkways, a fire pit, meeting rooms, a fitness center, and heated underground parking.

Grand Cascades Lodge at Crystal Springs

The Grand Cascades Lodge is 212-unit condominium-hotel located approximately 50 miles west of New York City in Hamburg, New Jersey (and approximately five miles from the Mountain Creek Resort). The condo-hotel project is the latest development at Crystal Springs, which is a 750-unit community that is anchored by the five area golf courses, the Mineral Hotel and Elements Spa, and the Crystal Springs Country Club, a 53,000 square foot clubhouse adjacent to the Grand Cascades Lodge which includes two restaurants, multiple outdoor swimming pools, a fitness center, and a 1,500 square foot pro-shop. The for-sale residences throughout the Crystal Springs community have been constructed by a variety of developers over the past 15 years and thus far have been comprised of condominium units, townhomes, and estate homes.

The Grand Cascades Lodge, which was developed by Crystal Spring Developers, opened in August 2007. The project is currently more than 90% sold-out and has a mix of one, two, and three-bedroom units. One bedroom units range in size from 638 to 755 square feet and are priced from approximately $285,000 to $405,000, or approximately $400 to $575 per square foot. Two bedroom units range in size from 982 to 1,370 square feet and are priced from approximately $455,000 to $620,000, or approximately $415 to $515 per square foot. Three bedroom units range in size from 1,187 to 1,955 square feet and are priced from approximately $529,900 to $1,000,000, or approximately $440 to $515 per square foot. The condo-hotel units include a fully equipped gourmet kitchen, outdoor balconies, gas fireplaces and Jacuzzi tubs in the master bathrooms.

La Costa Resort & Spa

Situated 40 miles north of San Diego in Carlsbad, California, La Costa is considered one of the premiere golf course resort destinations in the United States. The 400-acre resort includes a 511- guest hotel and spa to accompany two 18-hole championship guest courses. In May of 2006, La Costa added a $1.5 Million practice facility, which is twice the size of the resorts original range.

In addition to its current hotel and spa facility, La Costa is constructing a multi-phased condominium-hotel development at the resort called La Costa Resort Villas. The sold-out first phase, which was completed in January 2006, is comprised of 21 condo hotel suites. The second phase, which includes 18 suites in two separate buildings, is currently under construction and is approximately 50% sold-out. The villas include a mix of one, two, and three bedrooms units that range in size from 1,000 to 2,500 square feet. All hotel suites have multiple lock-off options. Phase II villas range in price from $1,070,000 to $1,525,000, or approximately $560 to $630 per square foot. The condo hotel owners can occupy their suites for a maximum of 120 days per year.

La Costa has also recently added both Kidtopia, a recreational club for young children, and Vibz, a recreational lounge for teenagers. Both Kidtopia and Vibz feature unique facilities that offer: games, play structures, and the latest high-tech entertainment. In addition, Splash Landing Water Park opened at the property in April 2007. The newly constructed park offers waterslides, three pools, a water play zone, and a sandy bottom pool for young children.

La Quinta Resort & Spa

On the site of the La Quinta Resort & Spa in La Quinta, California, the resort is currently selling the La Quinta Resort Spa Villas, which are located adjacent to the tennis courts and spa on the grounds of the resort. The units consist of one and two-story vacation homes that are in close proximity to the hotel, fitness center and restaurants of the hotel. Furthermore, the villas are located within a short distance of the “Mountains” and “Dunes” golf courses of the resort. The features of the Spanish-style casita units include landscaped courtyards with pools and spas, textured ceramic tile kitchens, hardwood cabinetry, double French door access to private courtyards and balconies, and gas fireplaces. Furthermore, most of the units have a lock-off component.

All of the 100 units, which were built in 2000, have sold. The units that are currently available for re-sale are presented in the table on the following page. The units are located toward the rear of the resort and have limited views of the mountains; we point out that the views are drastically inferior in comparison to the subject property. Furthermore, the interior features and fixtures at the subject property will be of a higher standard. The initial sales pace of units at La Quinta was reported to be approximately five units per month. As of January 2008, there were fifteen units available for re-sale at La Quinta Resort. As seen below, these units range in asking price from $615,000 to $1,250,000, or $477 per square foot to $675 per square foot.

LA QUINTA RESORT SPA VILLAS
UNITS AVAILABLE FOR RE-SALE
JANUARY 2008

Address	Size (Sq. Ft.)	Year Built	Current Listing Price	Price per Sq. Ft.
77234 Vista Flora	934	1999	$610,000	$653
77438 Vista Flora	1,000	2000	$675,000	$675
77130 Vista Flora	1,674	1999	$799,000	$477
77150 Vista Flora	1,680	1999	$825,000	$491
77488 Vista Flora	1,680	200	$845,000	$503
49585 Avenida Obregon	1,680	1999	$850,000	$506
77230 Vista Flora	1,700	1999	$855,000	$503
49845 Avenida Obregon	1,680	2000	$865,000	$515
77418 Vista Flora	1,700	2000	$875,000	$515
49424 Avenida Obregon	1,674	2001	$975,000	$582
49492 Avenida Obregon	1,674	2001	$985,000	$588
49452 Avenida Obregon	1,680	2001	$1,090,000	$649
77314 Vista Flora	2,391	1999	$1,225,000	$512
49484 Avenida Obregon	1,680	2001	$995,000	$592
77200 Vista Flora	2,391	1999	$1,250,000	$523

Source: Field Survey performed by The Weitzman Group, Inc.

On an adjacent parcel of land near the La Quinta Resort & Club, Centex Destination Properties is currently constructing the Legacy Villas. This property, which is located within one-quarter of a mile from the La Quinta Resort, is a joint venture between the Resort's owners and Centex. The unit owners of these units will have full resort privileges along with a discount on most services offered by the resort. While the property will offer room service and housekeeping services, the distance from the resort will reduce the appeal and efficiency of these services. The project includes 252 two- and three-bedroom villas and townhouses.

The property contains two- and three-bedroom, furnished villas which are 1,316 and 1,705 square feet in size. All of the villas have a lock-off feature that allows for the units to be rented out as two or three units, depending on the unit size. The unfurnished townhomes range in size from 1,761 to 2,100 square feet. The condominium and townhouse units originally sold in 2006. There were nineteen condominium units and thirteen townhouses available for re-sale at the Legacy Villas as of January 2008, which are detailed on the following page. The asking prices for the condominium units ranged from $399,900 to $850,000, or $306 per square foot to $499 per square foot. The asking prices for the townhouse units range from $649,000 to $895,000, or $311 per square foot to $480 per square foot.

LEGACY VILLAS
UNITS AVAILABLE FOR RE-SALE
JANUARY 2008

Address	Sq. Ft.	Year Built	Current Listing Price	Price per Sq. Ft
48584 Legacy Drive	1,307	2006	$399,900	$306
48609 Classic Drive	1,316	2006	$450,000	$342
48668 Legacy Drive	1,307	2005	$575,900	$441
48685 Classic Drive	1,316	2006	$579,500	$440
48716 Legacy Drive	1,316	2006	$589,000	$448
48660 Legacy Drive	1,705	2006	$598,000	$351
48549 Classic Drive	1,370	2006	$599,000	$437
48729 Classic Drive	1,307	2005	$599,000	$458
48640 Legacy Drive	1,705	2006	$615,000	$361
48556 Legacy Drive	1,705	2006	$619,000	$363
77761 Heritage Drive	1,705	2006	$625,000	$367
48648 Legacy Drive	1,705	2006	$649,000	$381
77708 Tradition Drive	1,863	2006	$649,000	$348
48579 Legacy Drive	2,082	2006	$652,000	$313
48512 Legacy Drive	2,119	2007	$659,000	$311
48690 Classic Drive	1,705	2007	$659,000	$387
77753 Tradition Drive	1,705	2006	$675,000	$396
48460 Legacy Drive	n/a	2006	$675,000	n/a
48440 Legacy Drive	2,082	2006	$679,000	$326
77692 Tradition Drive	2,119	2006	$689,000	$325
77720 Tradition Drive	1,946	2007	$725,000	$373
48644 Legacy Drive	1,705	2006	$729,000	$428
77760 Tradition Drive	2,119	2007	$739,000	$349
48547 Legacy Drive	1,761	2007	$747,000	$424
48424 Legacy Drive	1,761	2007	$749,000	$425
48693 Classic Drive	1,705	2006	$749,000	$439
48720 Legacy Drive	1,705	2005	$795,000	$466
48597 Classic Drive	1,705	2006	$795,000	$466
48663 Legacy Drive	1,863	2006	$799,900	$429
48563 Legacy Drive	1,950	2007	$825,000	$423
48587 Legacy Drive	1,761	2006	$849,000	$482
48780 Legacy Drive	1,705	2006	$850,000	$499
48733 Legacy Drive	1,863	2006	$895,000	$480

Source: Field Survey performed by The Weitzman Group, Inc.

While the Legacy Villas may be placed into the hotel rental program at the La Quinta Resort, the Legacy Villa units will only be rented if: (1) the resort is 100% occupied; or, (2) a guest specifically requests a Legacy Villa unit. Thus, there will not be a strong revenue component to these units. The majority of the unfurnished units have been sold to local buyers, while the furnished units have been sold to those that reside outside of the immediate area, predominantly in Southern California.

Villas of Mirada & Mirada Estates

The Villas of Mirada, a single family development by Senterra with 48 homes, is currently being constructed in Rancho Mirage, California. While these unit owners will have access to the Lodge at Rancho Mirage hotel and its amenities, they will not have direct hotel services, nor will they participate in the hotel rental program. Half-acre lots in the Mirada development, adjacent to the subject property in Rancho Mirage, typically sell in the range of $1,100,000 to $1,400,000 for non-views and north of $2,000,000 for valley views. Many of the homes within this development sell for greater than $3.5 million, or greater than the mid-$600’s per square foot for homes which typically measure more than 5,000 square feet.

The Mirada Estates community is comprised of approximately 130 custom home sites. The tables on the following page outline the most recently sold properties in the Mirada community as well as eight

properties currently listed for-sale. This community will not be direct competition due to the nature of the large homes within this gated community and the distinctive economic and physical characteristics of the planned condominium hotel units on the subject site; however the recent sales performance of units located within the community are indicative of achievable residential price points within the Rancho Mirage market.
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Eight properties in the Mirada community were sold in 2007. These units ranged in size from 3,730 square feet to 6,809 square feet. The sales prices ranged from $2,500,000 to $5,200,000, or $496 per square foot to $825 per square foot. Additionally, eight units are currently listed as for-sale with asking prices between $2,795,000 and $5,995,000, or $494 per square foot and $882 per square. These units ranged in size from 3,580 square feet to 7,055 square feet. The average number of days listings at the Mirada community have spent on the market is 235 days.

SUMMARY OF RECENT SALES
MIRADA ESTATES AND VILLAS AT MIRADA
RANCHO MIRAGE, CA
AS OF JANUARY 11, 2008

Address	Sq. Ft.	Year Built	Sale Price	Price per Sq. Ft.	Date of Sale
9 Santa Rosa Mountain	3,730	2006	$2,500,000	$670	Sep-07
43 Mirada Circle	5,138	2006	$3,000,000	$584	Jul-07
11 Verde Vista Lane	6,809	2000	$3,375,000	$496	Jan-07
34 Mirada Circle	4,235	1998	$3,495,000	$825	Mar-07
45 Mirada Circle	6,600	2000	$3,500,000	$530	Nov-07
48 Scenic Crest	n/a	2006	$3,800,000	n/a	Aug-07
13 Verde Vista	6,371	2001	$3,950,000	$620	May-07
54 Granite Ridge	6,538	2006	$5,200,000	$795	Apr-07
Total / Averages	5,632	8	$3,602,500	$646	

Source: MLS listings; compiled by The Weitzman Group, Inc.

SUMMARY OF CURRENT LISTINGS
MIRADA ESTATES AND VILLAS AT MIRADA
RANCHO MIRAGE, CA
AS OF JANUARY 11, 2008

Address	Sq. Ft.	Year Built	Current Listing Price	Price per Sq. Ft.	Days on the Market
27 Santa Rosa Mountain	3,580	2007	$2,795,000	$781	250
19 Santa Rosa Mountain	3,590	2006	$2,899,999	$808	1074
21 Santa Rosa Mountain	3,590	2007	$2,950,000	$822	60
7 Santa Rosa Mountain	3,590	2006	$2,975,000	$829	34
35 Santa Rosa Mountain	3,730	2007	$2,997,000	$803	210
18 Mesa Vista Lane	7,055	1900	$3,485,000	$494	75
7 Mirada Circle	5,327	2007	$4,250,000	$798	137
5 Mirada Circle	6,800	2003	$5,995,000	$882	39
Total / Averages	4,658	8	$3,543,375	$777	235

Source: MLS listings; compiled by The Weitzman Group, Inc.

Bighorn Golf Course Community

Residential lots that are located within the Bighorn golf course community development in Palm Desert, California range in price from $2,000,000 to $4,000,000 per acre. These sites, which have similar views to the subject property, are being sold for the development of custom-designed single family homes. The single family homes within the development that have been developed over the past several years typically sell in the range of $700 to $1,100 on a per square foot basis. Currently, there are 22 estates for sale with an average price of $4,700,682, or $841 per square foot. These listings have been on the market for an average 145 days.

SUMMARY OF CURRENT LISTINGS
BIGHORN GOLF CLUB
PALM DESERT, CA
AS OF JANUARY 11, 2008

Address	Sq. Ft.	Year Built	Current Listing Price	Price per Sq. Ft.	Days on the Market
239 Liva Court	2,486	1997	$1,895,000	$762	429
270 Metate	2,828	1998	$1,895,000	$670	58
166 Wikil	3,145	1999	$2,495,000	$793	88
228 Metate	3,329	1998	$2,550,000	$766	163
178 Kiva	3,778	1997	$2,595,000	$687	325
113 Metate	4,234	1998	$2,900,000	$685	87
154 Chalaka	4,094	1992	$2,990,000	$730	100
814 Shadow Vista	3,376	2001	$2,995,000	$887	193
1130 Lake Vista	3,314	2000	$2,995,000	$904	51
112 Chalaka	4,513	2003	$3,325,000	$737	98
191 Kiva	5,046	1993	$3,500,000	$694	359
190 Kiva	4,745	1998	$3,950,000	$832	2
124 Wanish	5,843	1995	$4,200,000	$719	43
160 Chalaka	6,233	1994	$4,500,000	$722	359
154 Netas	6,225	2000	$4,995,000	$802	324
191 Metate	7,078	2000	$5,200,000	$735	74
940 Andreas Canyon	4,990	2005	$5,200,000	$1,042	71
113 Tepin	7,988	2001	$6,990,000	$875	56
514 Mesquite	6,856	2007	$7,350,000	$1,072	84
106 Wanish	6,250	2001	$7,500,000	$1,200	69
1011 Mountain Spring	9,017	2007	$9,495,000	$1,053	66
160 Wanish	12,248	2001	$13,900,000	$1,135	90
Total / Averages	5,346	22	$4,700,682	$841	145

Source: MLS listings; compiled by The Weitzman Group, Inc.

Escala Rancho Mirage

GHA Communities is currently developing the Escala Rancho Mirage, a residential community that will feature 57 villas upon completion. The three- and four-bedroom units range from 3,247 square feet to 4,388 square feet in size with asking prices starting at $1.4 million. Currently, there are six Escala villas on the market with asking prices ranging from $1,430,000 to $1,728,000, or $394 per square foot to $442 per square foot.

ESCALA
UNITS AVAILABLE FOR SALE
JANUARY 2008

Address	Size (Sq. Ft.)	Year Built	Current Listing Price	Price per Sq. Ft.
33 Cassis Circle	3,247	2007	$1,430,000	$440
39 Cassis Circle	3,776	2007	$1,560,000	$413
37 Cassis Circle	3,616	2007	$1,597,000	$442
31 Cassis Circle	3,776	2007	$1,599,000	$423
38 Cassis Circle	3,776	2007	$1,625,000	$430
41 Cassis Circle	4,388	2007	$1,728,000	$394

Source: Field Survey performed by The Weitzman Group, Inc.

Four Seasons Residence Club Aviara

The Four Seasons Residence Club Aviara, located in North San Diego, is currently selling phase five of the property, which includes ten two-bedroom villas and two one-bedroom villas. The ownership structure is similar to a timeshare program, with most buyers purchasing two weeks of use per year. Buyers have the option to place their weeks into a rental program, however, rather than receive a split of the revenues generated, owners receive “Four Seasons Dollars”. Ownership weeks are priced into two categories, peak and off-peak. Phase five contains one- and two- bedroom units which measure 1,330 square feet and 1,670 square feet, respectively.

In addition to the new sales occurring in phase five of the property, there are also multiple re-sale listings currently on the market. One-bedroom units measure 1,330 square feet and sell for $38,000 per ‘peak’ week and $21,500 per week per ‘off-peak’ week, with a weighted average of $26,894 per week. This equates to a purchase price of $1,398,500, or $999 per square foot. Two-bedroom units measure 1,700 square feet and sell for $55,000 per ‘peak’ week and $34,000 per ‘off-peak’ week, with a weighted average of $40,865 per week. This equates to $2,125,000, or $1,250 per square foot. The two-bedroom units have lock-off capabilities, which results in a significant price premium on a square foot basis. Currently, there are 310 timeshare units available for re-sale at the Four Seasons Residence Club Aviara. These units range in price from $9,900 per timeshare to $60,000 per timeshare.

FOUR SEASONS AVIARA
PHASE TWO UNIT PRICING

Unit Type	Size	Number of Weeks	Price Per Week	Total Price	PSF
One Bedroom Peak	1,400	17	$38,000	$646,000	$461
One Bedroom Off-Peak	1,400	35	$21,500	$752,500	$538
Total/Average	1,400	52	$26,894	$1,398,500	$999
Two Bedroom Peak	1,700	17	$55,000	$935,000	$550
Two Bedroom Off-Peak	1,700	35	$34,000	$1,190,000	$700
Total/Average	1,700	52	$40,865	$2,125,000	$1,250

Source: Field survey conducted by The Weitzman Group, Inc.

Ritz-Carlton Bachelor’s Gulch

Located in Colorado, the Ritz-Carlton Bachelor’s Gulch, which was completed in 2002, has 23 full ownership Penthouse Residences. Initial sales, which took place in 1999, had an average price of $2,874,239, or $947 per square foot. There have been a limited amount of re-sales since the property opened in 2002, with the largest number of sales, seven units, taking place in 2004. Slifer, Smith & Frampton, the brokerage firm that handles sales at the Ritz-Carlton Bachelor’s Gulch, has indicated that the re-sales at the property have achieved a premium between 30% and 50% above non-branded product in the market. The table below summarizes current listings as of January 22, 2008 for the Residential Suites at The Ritz-Carlton, Bachelor Gulch. The current listings for the Residential Suites at the Ritz-Carlton, Bachelor Gulch average 1,188 square feet in size with asking prices averaging from $1,840,712, or $1,547 per square foot. There are 26 units available for re-sale.

THE RESIDENTIAL SUITES AT THE RITZ-CARLTON, BACHELOR GULCH
CURRENT LISTINGS
AS OF JANUARY 22, 2008

Suite No.	Asking Price	Size (Sq. Ft.)	Price per Sq. Ft.
622	$2,200,000	1,306	$1,685
632	$2,200,000	1,306	$1,685
616	$2,200,000	1,306	$1,685
728	$2,200,000	1,265	$1,739
716	$2,200,000	1,306	$1,685
640	$2,195,000	1,307	$1,679
759	$2,150,000	1,317	$1,632
704	$2,100,000	1,319	$1,592
703	$2,100,000	1,317	$1,595
713	$2,070,000	1,329	$1,558
659	$2,050,000	1,317	$1,557
603	$2,050,000	1,317	$1,557
719	$2,045,000	1,308	$1,563
319	$2,020,000	1,306	$1,547
613	$2,000,000	1,317	$1,519
619	$1,945,000	1,308	$1,487
310	$1,937,750	1,306	$1,484
313	$1,937,750	1,306	$1,484
731	$1,850,000	1,306	$1,417
725	$1,850,000	1,306	$1,417
625	$1,750,000	1,306	$1,340
631	$1,750,000	1,306	$1,340
607	$1,115,000	875	$1,274
755	$715,000	429	$1,667
735	$639,000	404	$1,582
635	$589,000	404	$1,458
26	$1,840,712	1,188	$1,547

Source: Slifer, Smith & Frampton Real Estate; compiled by The Weitzman Group, Inc.

Ritz-Carlton Club Kapalua Bay

Sales at the Ritz-Carlton Club Kapalua Bay began in July 2006, and, according to a sales manager at the property, have been doing quite well. In July 2007, a 6,500-square foot sales gallery opened. The gallery showcases the 84 private ownership residences and the 62 residential units being sold as fractional interests.

Upon its expected opening in April 2009, the Ritz-Carlton Club Kapalua Bay will feature two- and three-bedroom units ranging from 1,912 square feet to 2,257 square feet in size. The fractional units are being sold in 1/12 interests and range in price from $314,000 for a two-bedroom unit during the summer to $840,000 for a three-bedroom unit during Christmas and New Years. Assuming full unit ownership, pricing at the Ritz-Carlton Club Kapalua Bay averages $3,000 per square foot. It is important to note, however, that this price reflects the significant premium achieved on fractional units.

Ritz-Carlton Key Biscayne

The Ritz-Carlton Key Biscayne, which was completed in 2001, includes 13 stories and 402 condominium-hotel rooms. Located on 12 acres of oceanfront land on Key Biscayne's eastern shore, the property offers a 20,000 square foot luxury spa, 11 tennis courts, and two restaurants. Since 2004, there have been a total of 71 sales with the average price per square foot increasing each year. Between 2005 and 2006, the average price per square foot for the condominiums increased by 25%. In 2007, the average condominium sales price per square foot continued to increase, albeit a slightly lower growth rate of 20% (see below).

RITZ-CARLTON KEY BISCAYNE
SUMMARY OF CONDOMINIUM SALES
2004 THROUGH 2007

Year	# of Sales	Avg. Size	Avg. Price	Price per Sq. Ft.	% Change
2004	7	504	$366,714	$727	
2005	24	744	$694,479	$934	22.2%
2006	29	585	$731,607	$1,251	25.3%
2007	11	519	$785,909	$1,571	20.4%

Source: First American Realty Solutions; compiled by The Weitzman Group, Inc.

As outlined below, there were 11 Ritz-Carlton Key Biscayne condominium sales recorded in 2007. These sales averaged 519 square feet in size with an average price per square foot of $1,571. The sales prices for these units ranged from $450,000 to $1,350,000. As of January 25, 2008, no 2008 sales have been reported for the Ritz-Carlton Key Biscayne.

RITZ-CARLTON KEY BISCAYNE
RECENT CONDOMINIUM SALES
2007

Sale Date	Unit Size (Sq. Ft.)	Sales Price	Price Per Sq. Ft.
02/27/07	849	$1,200,000	$1,413
04/05/07	378	$585,000	$1,548
05/08/07	378	$450,000	$1,190
07/09/07	378	$540,000	$1,429
07/09/07	378	$540,000	$1,429
08/02/07	448	$515,000	$1,150
09/13/07	849	$1,350,000	$1,590
09/13/07	376	$1,350,000	$3,590
10/18/07	448	$475,000	$1,060
10/22/07	376	$640,000	$1,702
11/13/07	849	$1,000,000	$1,178
Average	519	$785,909	$1,571

Source: First American Realty Solutions; compiled by The Weitzman Group, Inc.

Ritz-Carlton Golf Club & Spa – Jupiter, Florida

The Ritz-Carlton Golf Club & Spa in Jupiter, Florida was completed in 2002 and has 34 full ownership residences as well as 20 full ownership estates. The residences are detached, single-family homes ranging from 3,200 square feet to 3,800 square feet. The estates are also detached, single-family homes that range from 4,400 square feet to 5,800 square feet in size. This property also offers 67 fractional ownership residences. The Ritz-Carlton Jupiter community includes an 18-hole Jack Nicklaus signature golf course, a 68,000 square foot clubhouse with an adjacent luxury spa, and tennis courts. The average sales price for residences that have been recently sold is $2,536,721 or $596 per square foot.

SUMMARY OF RECENT SALES
RITZ CARLTON GOLF CLUB & SPA
JUPITER, FLORIDA

Address		Sale Date	Sale Price	Sq. Ft.	Price per Sq. Ft.
448	RED HAWK	12/16/2004	$2,397,125	4,152	$577
507	BALD EAGLE	1/18/2005	$2,978,500	5,768	$516
503	BALD EAGLE	1/25/2005	$2,651,184	5,258	$504
444	RED HAWK	1/28/2005	$2,249,000	4,121	$546
508	BALD EAGLE	2/22/2005	$3,100,000	4,787	$648
442	RED HAWK	3/18/2005	$2,250,000	3,719	$605
446	RED HAWK	3/26/2005	$2,350,000	4,121	$570
423	RED HAWK	4/14/2005	$2,300,000	3,213	$716
418	RED HAWK	5/27/2005	$2,200,000	3,427	$642
513	BALD EAGLE	5/19/2006	$3,150,000	5,620	$560
430	RED HAWK	12/01/06	$2,750,000	4155	$662
442	RED HAWK	12/15/06	$2,250,000	3719	$605
436	RED HAWK	01/31/07	$2,475,000	N/A	N/A
444	RED HAWK	05/31/07	$2,500,000	4121	$607
420	RED HAWK	09/06/07	$2,450,000	4152	$590
Total / Average		15	$2,536,721	4,310	$596

Source: First American Realty Solutions; compiled by The Weitzman Group, Inc.

Ritz-Carlton Club & Residences – South Beach, Florida

With completion slated for late-2009, The Ritz-Carlton Club and Residences, located on Collins Avenue in South Beach, will offer 141 private luxury residential units and 45 fractional club residences. Units will range in size from 906 square feet to 5,364 square feet with initially-projected asking prices between $1,138,500, or $1,257 per square foot, and $8,550,000, or $1,594 per square foot. The fractional unites will be located in the restored Seville Beach Hotel building and are priced between $100,000 and $600,000 for a one-twelfth interest, depending on the seasonality purchased.

Owners of the property's units will enjoy upscale restaurants, a valet service, a spa, a beach club, multiple pools, and a private fitness facility. In mid-2007, 71 units were under contract with an average sales price of $2,871,174, or $1,707 per square foot. In November 2007, it was reported that 86 units were under contract for sale. Based on the most recent sales records, the Ritz-Carlton Club and Residences commands a price premium of 39% over competing luxury residential product in the South Beach/ Miami Beach market.

- QUALIFICATIONS OF THE APPRAISERS -

PROFESSIONAL QUALIFICATIONS

MARILYN KRAMER WEITZMAN, MAI, CRE, FRICS

EDUCATION:

B.A., University of Pennsylvania

M.A., University of Pennsylvania
Graduate School of Arts and Sciences

M.B.A., New York University Graduate
School of Business Administration
Beta Gamma Kappa Honor Society
Specialization in Finance

New York University Real Estate Institute
Courses in Advanced Real Estate Finance and
Case Studies in Investment Analysis

EMPLOYMENT:

THE WEITZMAN GROUP, INC., New York, NY — 1981 to Present
Real Estate Consultants

President

Real estate specialists, providing advice and counsel to those engaged in evaluation, buying, selling, leasing, financing, or developing real estate. The services provided by the firm include acquisition and disposition counseling, regional economic analysis, market research, due diligence, development planning, appraisals and expert testimony.

KORPACZ & WEITZMAN, INC., New York, NY
Real Estate Consultants and Appraisers

Principal

Real estate consultants and appraisers providing market analyses, investment analyses, and property valuation services.

LANDAUER ASSOCIATES, INC., New York, NY

Assistant Vice President of Investment Services Division
General real estate consulting including investment analysis, appraisals, feasibility studies and cash flow studies.

AMERICAN CITY CORPORATION, Hartford, CT
Subsidiary of The Rouse Company

Regional Economist
Responsible for aspects of regional planning and market analysis relating to the acquisition of new community sites.

PROFESSIONAL QUALIFICATIONS

MARILYN KRAMER WEITZMAN, MAI, CRE, FRICS

LEON H. KEYSERLING, Washington, DC
Consulting Economist and Attorney

Junior Economist
Responsible for the collection and analysis of data from government sources and private clients.

MEMBER:

Appraisal Institute – MAI (past Vice-Chairman, Education Committee)
Counselors of Real Estate (past National Vice-President)
Urban Land Institute (ULI)
Royal Institute of Chartered Surveyors (RICS)
The Real Estate Board of New York, Inc.
Commercial Real Estate Women (CREW)
Association of Real Estate Women (AREW Past President)
Licensed Real Estate Salesperson – New York State

LECTURER:

Ingredients and Functions of a Market Study, a seminar sponsored by the New York Chapter of the American Institute of Real Estate Appraisers.

Real Estate Marketability and Investment Feasibility Analysis, a seminar presented for the Real Estate Department of Manufacturers Hanover Trust Company.

Apartment Project Marketability and Investment Feasibility Studies, a seminar presented for the Long Island Chapter of The Society of Real Estate Appraisers.

Residential Development – Marketability and Investment Feasibility Studies, a seminar sponsored by the University of Massachusetts at Sturbridge, Massachusetts.

Feasibility Analysis before the International S.R.E.A. conference in Atlanta.

Guest Lecturer at the Real Estate Institute of New York University on economic base studies, market analysis and appraisal.

ADJUNCT PROFESSOR:

The Real Estate Institute of New York University. Courses include Real Estate Research: Market Analysis and Feasibility Studies; Advanced Applications in Appraisal.

PROFESSIONAL QUALIFICATIONS

KEITH A. BRENAN

EDUCATION:

Cornell University 1998

School of Hotel Administration
Ithaca, New York
Bachelor of Science degree
Concentration in Finance, Real Estate and Management Operations

EMPLOYMENT:

THE WEITZMAN GROUP, INC.

Senior Vice President	2003-Present
Vice President	2002-2003
Assistant Vice President	2001-2002
Senior Associate	1999-2001
Associate	1998-1999

Real Estate specialists providing advice and counsel to those engaged in evaluating, buying, selling, leasing, financing, or developing real estate.

WEITZMAN ADVISORS, INC 2003

Provides real estate investment advisory services to private investors, financial service organizations, pension funds and development companies.

ADJUNCT
PROFESSOR: New York University - Masters Program in Real Estate

MEMBER: Urban Land Institute (ULI)
Cornell Hotel Society
Cornell Real Estate Council
Chicago Real Estate Council

PROFESSIONAL QUALIFICATIONS

KELLY M. DAVIS

EDUCATION:

Cornell University 2006
School of Hotel Administration
Ithaca, New York
Bachelor of Science degree

Concentration in Real Estate Finance

EMPLOYMENT:

THE WEITZMAN GROUP, INC., New York, NY
Senior Associate Feb. 2007 – Present
Associate Aug. 2006 – Jan. 2007

Real estate specialist, providing advice and counsel to those engaged in evaluation, buying, selling, leasing, financing, or developing real estate.

MEMBER:

Cornell Hotel Society

Qualifications – History and Firm Description

The Weitzman Group, Inc. is a nationally known and respected real estate advisory services firm. Our firm is a full service real estate counseling organization incorporating many different disciplines that include market research and analysis, market and financial feasibility studies, investment counseling, development advisory and planning services, expert testimony, litigation support, marketing services and project management and implementation.

We have extensive expertise in assisting private sector developers and institutions with their real estate needs. Our experience is broad and diverse. During the past 20 years, the firm has worked throughout the United States on many projects – and prides itself on its ability to earn the trust of our clients and produce the results that they demand.

We function as a fully integrated team with our clients, treating their goals and objectives as though they were our own. We are motivated to perform solely in your best interests, striving to achieve optimum returns in a timely and cost effective manner.

We are experts in creating unique and successful transaction strategies, have the ability to clearly write and present our findings and conclusions, and have the demonstrated success in implementing our recommendations through deal structuring and negotiations – with optimum returns for our clients.

Marilyn Kramer Weitzman and Thomas M. Justin are designated members of the Counselors of Real Estate (CRE). Ms. Weitzman is a Member of the Appraisal Institute, while both Ms. Weitzman and Mr. Justin are Fellows of the Royal Institute of Chartered Surveyors.

Qualifications – Relevant Project Experience

The firm specializes in all property types, including undeveloped land, subdivisions and unique land uses; residential, hotel, condo-hotel, office, retail, shopping center, health care, industrial buildings, mixed-use properties and waterfront properties as well as non-conforming and special use properties. The geographic scope of our advisory services is nationwide and includes almost all major markets as well as many smaller markets in the United States. In addition, principals of the firm have experience in numerous international markets as well. We take pride in providing our clients with a high quality work product that is always supervised by the two principal members of the firm.

Furthermore, The Weitzman Group provides Development Advisory Services for mixed-use, residential, retail and hotel properties on an ongoing basis to our developer and institutional pension fund clients, which include Lehman Brothers, Lend Lease Real Estate Investments, JP Morgan Partners, The Related Companies, Apollo Real Estate Advisors, The Carlyle Group, The Athena Group, MacFarlane Partners, Starwood Capital, Forest City Ratner Company, WCI Communities, Hines, LCOR, ING Clarion Partners, The Cordish Company, Tarragon Development Corporation, Muss Development Company and UBS Realty Investors, LLC, among many others. These services include marketability, feasibility, and financial return assessments as well as detailed recommendations for development plans and proposed project phasing.

During the past several years, the principals of the firm have been involved in the marketability, feasibility, and development planning process of several major developments across the United States. Some of these mixed-use, residential, office, hotel, condo-hotel, retail, waterfront, and public sector projects of particular note are highlighted below.

Mixed-Use (Residential, Retail, Office) Projects

Dutchess County, New York. Conducted a marketability study and concept plan assessment for a proposed golf and outdoor recreation-oriented resort and residential development located in Dutchess County for the ownership/development entity. The Weitzman Group advised on a multi-use development to include over 600 residential units in the form of single family residences, townhomes, condominium and condo-hotel units. Additionally, the creation of a resort-based hotel component with multiple restaurants, a spa, and numerous outdoor recreational amenities was recommended. Our study evaluated the physical characteristics of the subject site in terms of its physical configuration, investigated the residential for-sale market for both full-time and part-time/seasonal residents and ultimately recommended appropriate unit mix, sizes, sale prices, and features for the residential units in each of the various components.

North Las Vegas, Nevada. Analyzed on behalf of a real estate investment fund the marketability of a mixed-use development to include a residential and retail component on a vacant 160-acre parcel in North Las Vegas. The study recommended the development of a lifestyle retail center to include a residential component that targets young professionals and small families that have been priced out of the Las Vegas market given the rising cost of housing and the lack of developable land throughout the Las Vegas Metropolitan Statistical Area (MSA).

Washington, D.C. Provided an on-going appraisal and advisory service to a pension fund client with regard to a number of land parcels located in the Southeast and Southwest sections of Washington, D.C. These sections of Washington, D.C. have been expanding with investment and development potential since the announcement of construction of a new Major League Baseball stadium on South Capitol Street to be completed by Spring 2008, in addition to the construction of a new Anacostia Waterfront Promenade and various planned infrastructure improvements. To date, The Weitzman Group has advised the client on a joint-venture acquisition of a large parcel of land and provided appraisals and investment recommendations on four additional land parcels in the area.

Jersey City New Jersey. Evaluated over 100 acres of property in the Port Liberte area that were under study for development as a European style waterfront community on the banks of the Hudson River facing the Statue of Liberty in New York Harbor. The valuation included a market and financial feasibility analysis for the potential for a mixed-use residential and commercial project that has since been developed (and continues to be built out) in a style inspired by Venice and Port Grimaud on the Cote d'Azur. The property includes residential, office, shopping and marina uses.

Elizabeth, New Jersey. Performed a detailed marketability study of the residential component of Baker Center, which is part of a 25-acre, mixed-use, transit-oriented development comprised of approximately 700 residential condominiums and several hundred thousand square feet of retail. Baker Center will include both new construction and the adaptive re-use development of historic manufacturing buildings located adjacent to New Jersey Transit's North Elizabeth commuter rail station. The Weitzman Group recommended unit mix, development phasing, pricing, and absorption assumptions over the marketing period of this development. The Weitzman Group has also continued to consult on the pre-development planning of the project, being actively involved in the site and product planning process.

Brooklyn, New York. Provided market analysis and financial feasibility services for Forest City Ratner Companies in the Brooklyn Center and assessed the rental and for-sale residential components of the major mixed-use development in downtown Brooklyn. As part of the due diligence, The Weitzman Group performed a comprehensive assessment of primary and secondary competitive market areas, projected the unit pricing and absorption of all unit types on the subject property and prepared a comprehensive financial analysis of hard and soft costs, sales revenues, operating expenses, and net cash flows.

Harrison, New Jersey. Produced a marketability study for a proposed development of a 26-acre tract of land located adjacent to the Harrison PATH station. The study recommended the unit mix, unit sizes, pricing, product features, amenities, projected absorption, and buyer profile. The Weitzman Group evaluated the property and its location, analyzed the economy of Hudson County, its surrounding areas, and the New York City metropolitan area, evaluated existing and proposed housing developments in the primary and secondary housing market areas, prepared a housing demand analysis and estimated the site's capture rate of total market demand, conducted interviews with knowledgeable sources in the market, and prepared comments and recommendations regarding the features, amenities, finishes, and upgrades of the proposed residential buildings.

Hoboken, New Jersey. Created the marketing strategy and materials for a Request for Proposal (RFP) to assist in the sale and development of The Maxwell House Site, a 24.5-acre property with 14 acres of waterfront land and 10.5 riparian acres. The site is one of the nation's premier urban waterfront locations available for development.

The Weitzman Group performed the marketability analysis for the 1.4 million square feet of residential, office, retail and marina uses on the site and developed the strategic information necessary to successfully market the property. The property is now in the construction stage and is poised to become one of the most notable mixed-use waterfront developments in the next decade with its stunning views of Manhattan and its desirable location in the revitalized city of Hoboken, the center of the New Jersey Gold Coast.

Queens, New York. Executed the initial marketability study on behalf of the Muss Development Company for the multi-phase mixed-use residential, retail and hotel project located in Flushing Meadows. Study recommended the unit mix, unit sizes, pricing, product features, amenities, projected absorption, and buyer profile for the residential component. In addition, the firm quantified the demand for housing in this submarket of Queens. The study also determined the scope of retail development and recommended the most desirable target segments for the retail component, prescribing a combination of anchor stores, entertainment, retail, service and neighborhood stores.

Westchester County, New York. Performed a marketability assessment of a potential for-sale residential project located along the Hudson River waterfront for a national home builder. The Weitzman Group evaluated the market depth for luxury waterfront product in Westchester County and the surrounding New York Metropolitan area, analyzed the for-sale housing trends and competitive supply, determined the ease of market entry for the condominium and townhouse development, recommended appropriate unit sizes, unit features and unit prices, absorption period, unit finishes and property amenities.

Commercial Projects

Queens, New York. As lead consultant, The Weitzman Group prepared a development framework for the Queens West Development Corp. (stages III and IV) to help modify the 1991 General Project Plan and to guide the high-density redevelopment of approximately 31 acres of prime land along the East River in the neighborhood of Long Island City. The proposed Queens West development framework consisted of the following studies: a market study, a planning study, community outreach, construction costs analysis, a financial feasibility analysis, and an implementation plan. Of paramount importance in the study is the development of residential, commercial and institutional income-generating uses to maximize public benefits and help finance recreational, cultural and community uses on the site, including the general maintenance of the proposed nine-acre waterfront park. The total build-out of the site is 4.2 million square feet of development space.

Bronx, New York. Conducted a marketability and feasibility analysis for the development of a two-acre site in the Pelham Bay section of the Bronx. Uses include 80,000 square feet of professional and commercial space, 20,000 square feet of retail, and 200 units of rental and for-sale residential units. The site has excellent potential to be re-developed into a middle to high income, mixed-use development with a focus on residential uses, retail and professional services related to the health care industry due to its proximity to established medical institutions and several major highways. It also has waterfront recreation amenities and a location along an established retail and commercial corridor.

Residential and Hotel Projects

Chicago, Illinois. Produced a market feasibility study and investment valuation for a 125-unit proposed condominium development at The Palmolive Building on Chicago's Gold Coast with residential units priced in the $1,000,000 to $10,000,000 range. The study recommended the unit mix, unit sizes, pricing, product features, amenities, projected absorption, and buyer profile. We also evaluated the project feasibility by analyzing the projected returns on the investment to the developer and a joint venture equity partner.

Portsmouth, Rhode Island. Prepared a detailed marketability study and pricing model for the condominiums at Carnegie Abbey, an ultra-luxury summer home development located on the eastern shore of Narragansett Bay. Located just north of Newport, this community is being developed on the grounds of the internationally-known Carnegie Abbey Golf and Sporting Club. Achieving prices above $800 per square foot, the development includes 80 units within Carnegie Tower with 20-mile views of the shoreline, eight townhomes, and the "Royal Cottages" comprising 21 maintenance-free single-family homes. The development has set a new standard for the modern club-lifestyle development, and has broadened the appeal of this summer home market to purchasers not only from Boston and the Northeast, but also from all over the United States. The firm continues to consult with Carnegie Abbey's developer on more than 1,000 condominium units and residential subdivisions in various stages of planning at sites north and south of Carnegie Abbey along the Narragansett Bay.

Brooklyn, New York. Executed the initial marketability study on behalf of the Muss Development Company for Oceana, a multi-phase condominium project located in Brighton Beach, Brooklyn. The study recommended the unit mix, unit sizes, pricing, product features, amenities, projected absorption, and buyer profile. In addition, the firm quantified the demand for housing in this submarket of Brooklyn. The twelve building project is now in its final phases of marketing and 80 percent of the units have already been sold. The Muss Development Company continues to retain the services of The Weitzman Group on other development projects in the metropolitan New York area.

San Francisco, California. Advised the construction lender on The Montgomery development, a 109-unit adaptive re-use condominium development in San Francisco's financial district, undertaking full marketability and feasibility analyses of the investment opportunity. With tremendous architectural character, a location just off Market Street, and interior finishes designed to attract urban professionals, The Montgomery is one of the largest and highest profile condominium developments in the San Francisco area.

Atlantic City, New Jersey. Developed a market analysis of the housing market with regard to a potential condominium, retail and condo-hotel development in Atlantic City. Evaluated the depth of the potential for-sale housing market, determined the size and location of the primary and secondary market areas, and analyzed competitive properties. Our study analyzed the ease of market entry for a potential residential development and recommended appropriate unit sizes, unit features, and unit prices suited for new development in the market.

Newark, New Jersey. Over a number of years, The Weitzman Group provided the developer and its financial partners with market-based recommendations on the development of Newark's first upscale rental housing development property in 45 years. Recommendations involved the proposed adaptive re-use of an existing 35-story, art deco office building in downtown Newark into an upscale, amenity-rich rental property. The landmark building, which stood vacant for nearly 20 years, is undergoing a complete rehabilitation. Upon completion it will include valet parking, an 8,000 square foot health club, a four-lane bowling alley, an indoor basketball court, entertainment room, and a resident's lounge. Before leasing began, the waiting list for the 317 units was reportedly up to 650 persons. This development has the potential for being the impetus for revitalizing one of New Jersey's most prominent cities.

Manhattan, New York. Appraised the interest held by an institutional investor in a recently completed luxury high-rise rental property on Manhattan's exclusive Upper East Side. Construction of the property was completed in 2005 with the aid of below-market bond financing. Consequently, the property is subject to New York City's 80/20 Affordable Housing Program providing tax abatement and rent stabilization. The 32-story property consists of 196 residential units, over 4,000 square feet of ground floor retail space, a club room, and a rooftop terrace.

St. Thomas, Virgin Islands. Performed an evaluation of an 18-hole championship golf course and hotel and evaluated the potential of surrounding land uses at Frenchmen's Reef for an existing planned development to assist the institution in disposing of the asset.

Denver, Colorado. Created a market and financial feasibility study for the Villages at Castle Rock / Castle Pines, a luxury golf course community, in the Denver metropolitan area. This master planned community consisted of two parts with 10,000 and 2,500 acres each. The study analyzed the market position and the relationship of the golf and recreational amenities to the overall unit mix, unit pricing, and unit absorption.

Las Vegas, Nevada. Provided a major off-shore investment group with an economic and real estate base study of the Las Vegas Metropolitan Statistical Area (MSA). The study included a comprehensive overview of the hotel, casino, residential, office, and retail markets. An in-depth economic study was also prepared to provide the investment group with a full understanding of those industries influencing the demand for residential and commercial development in this market. The study included an analysis of existing conditions plus an evaluation of all projects under construction and proposed for future development. The final phase of the study included an assessment of investment opportunities in this market as well as the identification of real estate sectors that pose a relatively high degree of risk over the foreseeable future. The study provided the investment group with a strategic investment plan for the area.

San Antonio, Texas. Analyzed the marketability of a 12-story condominium tower proposed to be located adjacent to the client's existing hotel in downtown San Antonio on behalf of a private real estate investment client. Based on the current economic and demographic trends in the area, combined with the slow sales pace of existing comparable condominium projects, The Weitzman Group recommended a "hold" strategy. The firm concluded that by holding the site vacant for future development, the client would have the opportunity to achieve higher sales prices when stronger demand for downtown living presents itself. Alternatively, another development scenario included the construction of a condominium-hotel to meet the current needs of the market. Under this scenario the client would be able to add additional inventory to its adjacent hotel while sharing the cost with future individual unit owners.

Phoenix, Arizona. Evaluated the marketability and feasibility of a mixed-use, Transit-Oriented Development (TOD), known as Central Park East, to be constructed in downtown Phoenix. Under a development agreement negotiated with the City of Phoenix, the project will include academic space to be used as part of the new downtown campus for Arizona State University. The proposed mixed-use development will also include a new Class A office tower, a residential condominium tower, and ground floor retail. The proposed development is regarded as a key component to revitalizing the downtown Phoenix core. The Weitzman Group performed a comprehensive assessment of each of the project's mixed-use components.

Philadelphia, Pennsylvania. Performed a marketability analysis and valuation of a proposed luxury residence condominium development to be affiliated with the existing Ritz Carlton Hotel, which is located adjacent to the site, in City Center Philadelphia. The client was providing construction financing on this development in City Center – a market which has experienced tremendous residential development and population growth over the recent past. The Weitzman Group analyzed the state of the residential market, reviewed recently completed and under-construction developments, assessed the overall market demand, evaluated the proposed condominium's competitive position within the marketplace and recommended unit prices and absorption.

Atlantic City, New Jersey. Analyzed the marketability of the residential component of a proposed mixed-use development. Given the strength of the local gaming and hospitality industry, the revitalization of the city through recent commercial developments, and the tremendous demand for second homes, The Weitzman Group provided recommendations for the development of upscale condominium residences and condominium-hotel units

Florida Keys, Florida. Provided due diligence assistance to an equity partner involved in the potential acquisition of a 151-unit hotel property in the Florida Keys. The target of the acquisition was a 12.6-acre site, improved with a hotel, food and beverage facilities, retail space, gas station, and 57-slip marina. The Weitzman Group conducted the marketability analysis of the developer's proposed redevelopment plans, which included the demolition of the existing improvements, and the development of a mixed-use development containing a condominium-hotel, marina, retail space, and restaurants.

Queens, New York. Executed the marketability study on behalf of the developer for a proposed residential condominium development located on a large waterfront site in Whitestone, Queens. The study included an evaluation of the competitive position of the site, an assessment of the Queens residential market, an analysis of comparable residential developments in the surrounding market area (as well as of comparable waterfront developments throughout New York City's Outer Boroughs), and a review of the proposed residential development plan.

Confidential: Brooklyn & Queens, New York. Provided a significant number of marketability studies and investment analyses for new, mixed-use residential and retail projects over the past three years. Some of these projects are located along the recently re-zoned Greenpoint-Williamsburg waterfront which include: (1) conversion of an industrial structure; (2) the rehabilitation of industrial land with a build-out of 1.06 million square feet of market-rent and affordable housing; and (3) the development of service and neighborhood retail on a 19-acre site with a build-out of 3,800 residential units, parking and service retail.

Public Sector Projects

Long Island Railroad, Metropolitan Transportation Authority (MTA), New York. Researched the impact of rail corridors, accessibility to mass transit and adjacent industrial uses on property values in the New York City region (including Long Island; Rockland County, New York; and Passaic County, New Jersey), as well as other major metropolitan centers in the United States over the past 50 years. The report was prepared in support of an Environmental Impact Statement (EIS) produced by AKRF, Inc. for the Long Island Railroad which analyzed the environmental effects of the proposed Port Jefferson Branch Yard project in Long Island. Consensus building with the local community was the intent of the report.

Town of Monroe, Orange County, New York. Produced a marketability study for the development of a mixed-use project on a 95-acre site. Uses include retail, office, sport and hotel facilities. The site is located at the crossroads of an expanding market located on the periphery of the New York City Metropolitan Statistical Area (MSA).

New York State Empire State Development Corporation. Performed real estate advisory services in the emerging Times Square Redevelopment District, along with additional properties held by the Corporation throughout New York State. Services included general real estate counseling, retail and office marketability analyses, feasibility analyses, highest and best use studies, market value appraisals, and expert testimony in pending litigation cases.

International Engagements

Bulgaria. Provided advice and counsel to Adis, Ltd., a company wholly-owned by the government of Bulgaria. The Weitzman Group evaluated the privatization potential of Adis. Adis's assets included flats, office and chancellery buildings, and villa residences leased to the diplomatic corps. The Weitzman Group visited selected properties comprising the portfolio. Conclusions included identification of: (1) positive and negative features associated with the portfolio; (2) management and organizational issues requiring change before the company could be privatized; (3) preliminary investment value of the portfolio; and (4) next steps to be taken in order to accomplish the goal of portfolio privatization.

Poland. As part of a RICS/CRE consulting initiative, provided advice to PKP SA, the national railway of Poland. The study was prepared for both PKP SA and the European Bank for Reconstruction and Development (EBRD). Funding was provided by the government of Taiwan. The objective of the study was to provide PKP SA with a strategic plan that would allow it to maximize the value of its underlying real estate assets. These assets included vacant land, strategically located railway stations throughout the country, office buildings and flats, among other real estate holdings. The consulting team evaluated key factors influencing marketability and value enhancement of the portfolio to include asset management structure, issues related to clear title, asset inventory control, implementation of best practices, the public tender process, funding capital improvements and accounting practices, among other important issues. The Weitzman Group's presentation included a description of existing conditions and an action plan to unleash the real estate assets.