



POTOMAC
SHORES



OFFICE LAND



OFFERING MEMORANDUM





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This offering memorandum is intended solely for your own use in evaluating the acquisition and leasing of office opportunities at Potomac Shores (the "Property") and is not to be used for any other purpose or made available to any other party without the prior written consent of SunCal ("SunCal" or the "Sponsor"), or its exclusive agent, Jones Lang LaSalle ("JLL").

This offering memorandum contains brief selected summary information pertaining to the Property and has been prepared by JLL from information supplied by the Sponsor. This offering memorandum does not purport to be all-inclusive or to contain all the information that a prospective investor may desire or deem relevant in determining whether to pursue negotiations to finance or acquire the Property. Neither the Sponsor, JLL, nor any of their respective owners, directors, employees, representatives or agents make any representation or warranty expressed or implied as to the accuracy or completeness of this offering memorandum or any of its contents, and no legal liability is assumed or to be implied with respect thereto.

The Sponsor reserves the right to withdraw the Property from the market or change the terms of the offering at any time, and will have no legal obligation unless and until written agreements have been approved and executed by all parties.



INVESTMENT OVERVIEW



The Offering

JLL's Capital Markets Group, on behalf of SunCal (the "Sponsor") has been retained to market for sale or lease approximately 60 acres at Potomac Shores that has been master-planned and permitted for development of premier office space (approximately 3,040,000 s.f.). Key office development opportunities include:

- **Town Center Gateway Office Development Pads:** Located along Dunnington Place at the intersection with Potomac Shores Parkway, these Town Center gateway sites feature completed infrastructure and are ready for immediate development.

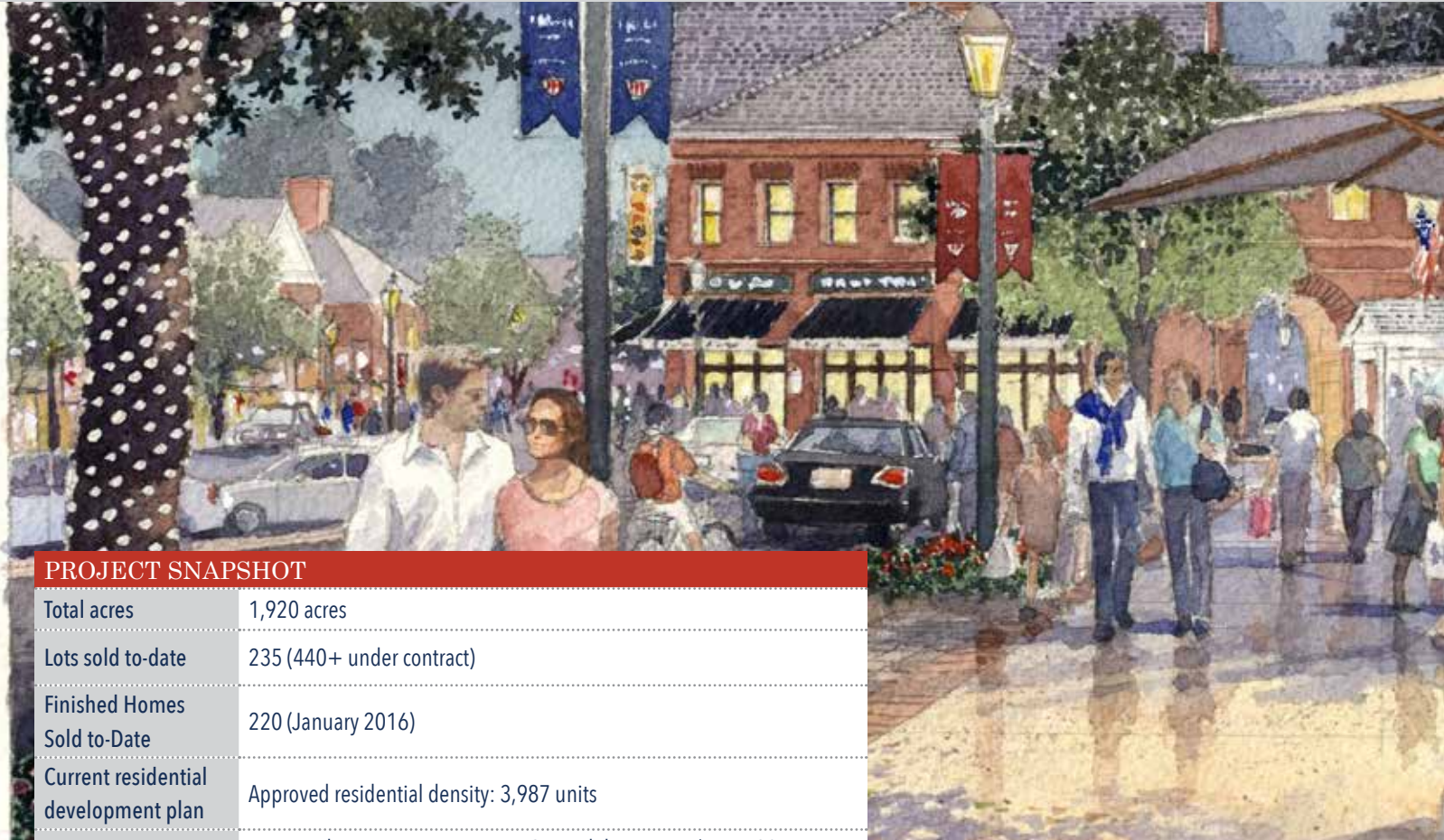
Secured Perimeter Single Tenant Office Campus: 35+ acres opposite the Town Center Gateway office pads has been master planned for office and can accommodate more than 2 million s.f. of office space can be constructed within a secured perimeter to meet DOD requirements.

SunCal is working with Prince William County and the State to explore ways in which the County and State can provide support for commercial development/ tenant relocations to Potomac Shores.

Potomac Shores Overview

Potomac Shores is a 1,920-acre, five-star mixed-use master planned community located along the shores of the Potomac River in Prince William County, Virginia (the "Site" or the "Project"). The community is fully entitled for up to 3,987 dwelling units, 3.2 million s.f. of office and retail space, and a large resort hotel and conference center. Completed construction includes an 18-hole Jack Nicklaus Signature golf course and club house with a full-service grill (opened in May 2014), the 16,000 s.f. Shores Club Community Center, all primary road and utility infrastructure and more than 200 single-family homes. From a competitive standpoint, Potomac Shores is the only master planned community in the Greater Washington, DC area that has direct access to the Potomac River, and will have its own dedicated Virginia Railway Express ("VRE") station providing a one-seat ride to Washington, DC and Northern Virginia employment centers along the way.

SunCal is one of the leading privately held development companies in the United States and its more than 80 years of commitment and experience has resulted in one of the largest real estate development companies in the U.S. that specializes in large-scale, mixed-use master planned communities. Over the past two decades, SunCal has been involved in more than 120 projects in various stages of development. These properties represent over 128,500 acres and nearly 290,000 residential units.



PROJECT SNAPSHOT

Total acres	1,920 acres
Lots sold to-date	235 (440+ under contract)
Finished Homes Sold to-Date	220 (January 2016)
Current residential development plan	Approved residential density: 3,987 units
Amenities	• Immediate access to Interstate 95, and the Route 1/Route 234 Interchange via the extended Potomac Shores Parkway • On-site, dedicated VRE train station with 550 parking spaces • 18-hole Jack Nicklaus Signature Golf Course • First-class club house and Tidewater Grill • 228-acre Town Center • 230,000 s.f. of retail • 3,040,000 s.f. of office • 330,000 s.f. resort hotel and conference center (250 keys) • Marina • Shores Club, a 16,000 s.f. community recreation center with two pools, large fitness and wellness facilities • 12 sports fields • Numerous pocket parks and playground • 10 miles of wooded trails • 2 miles of natural shoreline • Brand-new elementary and middle schools (2017 and 2020)
Average home price	\$681,697: current average estimated for all product types \$673,540: median sales price for single family detached product, January 2016
Date opened	First lot sale: 1/2013; Golf course opened: 5/2014
Developer	SunCal
Current homebuilder	NVR, Inc. (Ryan Homes and NV Homes)





Rendering Town Center Waterfront Promenade



Town Center Development Plan

Opportunity 1

Town Center Gateway Office Development Pads

Various office pads are situated along Potomac Shores Parkway and Dunnington Place at the gateway to the Town Center. These parcels are shovel ready for immediate development. Sites 4a and 4b will be developed first and can accommodate up to 190,000 square feet of leasable office space.



Dunnington Place - Handsome landscaping and brick pavers set the tone for quality Town Center built environment. Gateway Office Pads located to the right.

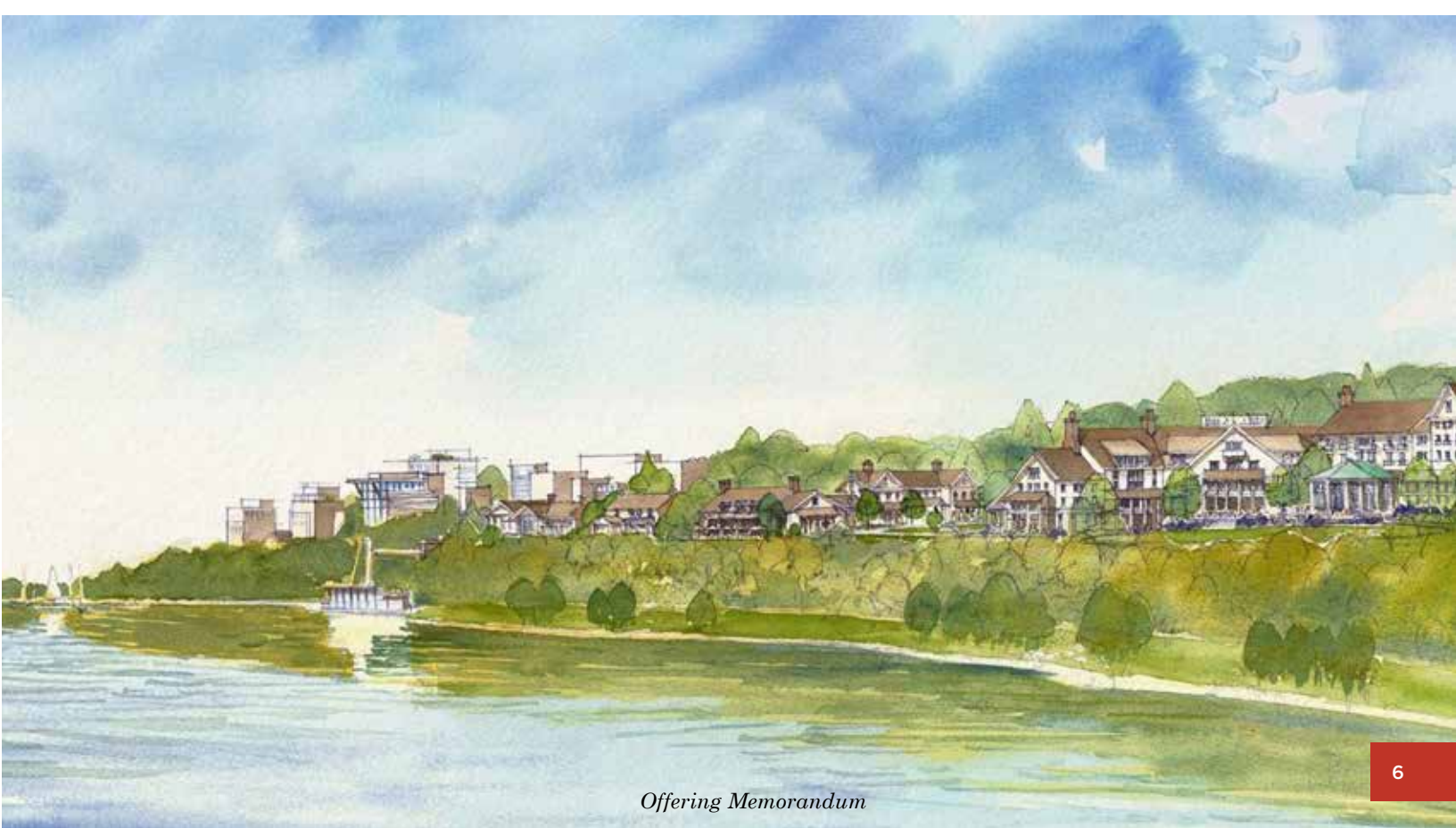
Opportunity 2

Secured Perimeter Single Tenant Office Campus

- 35+ acres situated on the west side of Potomac Shores Parkway can accommodate a large-scale secured perimeter, single-tenant office/research campus.



Potential Development Plan





Investment Highlights

More than just a place to work

Potomac Shores provides businesses with a unique and dynamic environment to work and grow in. Potomac Shores will be the most desirable place in the I-95 corridor to both live and work - highly attractive to businesses' clients and employees. Potomac Shores is the only location in the I-95 corridor between Woodbridge and Stafford that features direct, on-site Potomac River access, an 18-hole Jack Nicklaus Signature Golf Course and clubhouse, a highly attractive and walkable 228-acre Town Center.



Rendering of Town Center development



Outstanding transportation access

Due to excellent transportation connectivity, workers at Potomac Shores can enjoy a reverse commute. Potomac Shores is proximate to I-95 and is located along an existing VRE commuter rail line. \$75 million in federal funds have been committed for development of the rail line which will expand rider capacity and enable SunCal to develop its Potomac Shores VRE station. This station will be located in the Town Center and will provide commuters direct rail from local population centers including: Springfield, Alexandria, Crystal City and downtown Washington, DC. New HOT lanes along Interstate 95, along with major roadway enhancements to Virginia Route 1 have improved commuting patterns and will complement the expansion of public transit at Potomac Shores. Furthermore, the future extension of Potomac Shores Parkway will provide a direct connection to the confluence of two major roadways: Route 1 and 234.



Virginia Railway Express (VRE)

VRE provides commuter rail service from the Northern Virginia suburbs to Alexandria, Crystal City and downtown Washington, DC, along the I-66 and I-95 corridors. Services began in 1992, operating 16 trains from 18 stations and carried, on average, 5,800 passengers daily in the early nineties. Today, VRE operates 29 trains from 18 stations and carries on average 19,000 passengers daily.

VRE is a joint project of the Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock Transportation Commission and has no independent legal standing. Agreements with the Commonwealth of Virginia help provide indemnification to the freight railroads whose tracks VRE uses as well as passengers and other parties. NVTC has issued and refinanced \$150 million of appropriations-based bonds for VRE. The commissions, whose board members are comprised primarily of local and state elected officials, approve VRE's policies, fares, budgets and major spending decisions.



Proximate to the highly dynamic and active Marine Corps Base Quantico and Fort Belvoir



Less than 5 miles from Potomac Shores, Marine Corps Base Quantico ("MCB Quantico") is a major economic generator, both through the substantial military population and the sophisticated defense contractors that locate near MCB Quantico. MCB Quantico has a daytime population of 28,000 and \$5.9bn impact on the regional economy (2011). The 2005 Base Realignment and Closure (BRAC) Act relocated five Military Department Investigative Agencies to MCB Quantico in 2010, boosting MCB Quantico's daytime population by 3,000 employees. The relocated agencies are housed in the award-winning Russell – Knox building, completed in 2011. 8,500 acre Fort Belvoir, located 12.5 miles from Potomac Shores, has more employees than the Pentagon, with a current estimated military and civilian base of 51,000. Fort Belvoir also grew as a result of federal agency relocations required by the 2005 "BRAC" Act.

Irreplaceable site and location

Potomac Shores, 25 miles south of Washington, DC, sits on an elevated site, and boasts expansive views of Powell's Creek and the Potomac River. With two miles of shoreline, multiple parks and ball fields, and 10 miles of scenic trails, Potomac Shores integrates its natural surroundings into a self-contained community that will support a true live/work/play environment. No other site in the region offers office tenants the combination of serene natural surroundings, an urban Town Center node, and superb transportation connectivity (both via highway access and commuter rail) to major regional centers.



Strong employment growth

Potomac Shores will benefit from the strong Washington area regional economy which has grown by nearly 7.5% since 2006. In fact, no other major metropolitan area in the United States enjoyed this level of economic growth. Analysts predict the region will continue to add between 25,000 and 35,000 jobs per year for the next decade, and more than 700,000 new residents between 2013 and 2020.

Prince William County has experienced 40% employment growth over the last decade and a 57% increase in business establishments. As the second-largest county in Virginia and one of the fastest-growing in the entire Commonwealth, Prince William County boasts a highly educated population (43% of its residents hold four-year degrees) and one of the highest average household incomes in the United States (nearly \$118,000). In addition, Prince William County is proximate to major regional demand drivers and employment centers including the Pentagon, downtown Washington, DC. and Marine Corps Base Quantico, which as a result of BRAC (Base Realignment and Closure) absorbed 2,658 people (military, civilian and contractors) from five federal agencies in 2011.

Experienced and committed master developer

As one of the largest real estate development companies in the United States, SunCal has more than 80 years of experience developing distinct and diverse master planned communities that range from 200 units to 100,000 units. The Company has won numerous awards and accolades for its communities including Best Community Development (American Institute of Architects), Masterplanned Community of the Year (Elan Awards) and Project of the Year (American Society of Civil Engineers). In addition to Potomac Shores, some of its most successful developments include Amerige Heights in Fullerton, California, Lincoln Crossing near Sacramento, California and Westport at Mandalay Bay in Oxnard California.

Formerly Harbor Station, SunCal purchased Potomac Shores from Wells Fargo/Wachovia in July of 2011. Since acquisition, SunCal has invested significant resources to rezone the project to Town Center Special Use Permit and to Golf Special Use Permit and to create and enhance public financing opportunities. In doing so, SunCal has replaced cumbersome and disjointed documents with new proffers which simplify the development strategy and establish a more cohesive, self-supporting community. SunCal has completed the first two phases of the Project which includes 516 lots for single family detached dwellings.





OFFICE MARKET OVERVIEW



Prince William County's office market is driven by rapid population growth, fueled by the county's proximity to Washington D.C. and the expansion of two local military installations: Marine Corps Base Quantico and Fort Belvoir. The Interstate-95 corridor between Woodbridge and Stafford has a 6.5 million s.f. office market. Since the year 2000, 3.9 million s.f. of new office space has been constructed in this corridor - translating to an average annual expansion of more than 230,000 s.f. (see adjacent table).

Years	Office Space Built (RSF)	Average Annual Office Space Delivered
2010 - 2016	1,386,589	198,084
2000 - 2009	2,524,047	252,405
1990 - 1999	501,501	50,150
1980 - 1989	1,464,751	146,475
Before 1980	587,107	NA
Total	6,463,995	

Potomac Shores is poised to become the premier office location in the region, thanks to:

- **Superior neighborhood amenities:** The Jack Nicklaus Signature Golf Course and restaurant, planned luxury hotel, and planned retail in the Town Center are higher quality amenities than those offered in existing office parks.
- **Transit-oriented development with excellent, multi-model accessibility:** The planned direct access route from I-95 and VRE train station will make travel to Potomac Shores more convenient than to nearby corporate centers. Potomac Shores enjoys a competitive advantage over other TOD communities due to its substantial surrounding woodlands and scenic location overlooking the Potomac River.

Military Economic Activity Generation

Nearby Marine Corps Base Quantico ("MCB Quantico") and Fort Belvoir are key office demand drivers in Potomac Shores' region. Less than 5 miles from Potomac Shores, MCB Quantico has a daytime population of 28,000, and benefited from the relocation of five defense agencies in 2011. Business parks Quantico Center and Quantico Corporate Center house contractors and other industries serving MCB Quantico. 8,500 acre Fort Belvoir, located less than 20 miles from Potomac Shores, has more employees than the Pentagon, with a current estimated military and civilian base of 51,000. Both MCB Quantico and Fort Belvoir grew as a result of federal agency relocations required by the 2005 Base Realignment and Closure ("BRAC") Act.



Russell - Knox Building at Marine Corps Base Quantico

Marine Corps Base Quantico

Located less than 5 miles from Potomac Shores, Marine Corps Base Quantico ("MCB Quantico") is a critical growth driver in the local economy. MCB Quantico and its support enterprises are firmly entrenched in the local economy: MCB Quantico was established in 1917, and grew substantially as a result of the 2005 Base Realignment and Closure Act.

\$5.9b

economic impact on regional economy (2011)

93miles

land coverage

28k

daytime population

1,137

military family housing units

2,000

permanent buildings

3

department of defense schools



Russell Knox Building

Five Military Defense Agencies Relocation to MBC Quantico

As a result of the 2005 Base Realignment and Closure Act, five Military Defense Investigative Agencies relocated from metropolitan DC to MCB Quantico:

- Defense Security Service (DSS)
- Elements of Defense Intelligence Agency (DIA)
- Naval Criminal Investigative Agency (NCIS)
- Army Criminal Investigation Command (CID)
- Air Force Special Investigations (AFSOI)

Constructed in 2011 for \$360 million to house these agencies, the 719,000 s.f. Russell-Knox building and support areas have a 3,000+ employee population. The state-of-the-art facility includes high-security areas, training areas, and amenities such as a fitness center, flexible workspace, and laboratories.

Local Office Parks

Various office parks in the Woodbridge - Stafford I-95 corridor have been successfully developed in recent years and substantially contributed to the growth of the local office market (see adjacent table). Two of these nearby parks are described below:

Quantico Corporate Center (Stafford, VA)

Quantico Corporate Center is an 85-acre office park located in Stafford, VA. The park has numerous government, defense, and academic tenants totaling approximately 435,000 square feet of space. At complete buildout, the development can accommodate up to 1.5 million square feet of commercial space. Currently, a 40,000 square foot office building is under construction.

Office Park	Office Space (RSF)	Year Built
Recently Developed		
Quantico Corporate Center	476,554	2007-2016
Quantico Center	257,840	2005-2009
North Stafford Center for Business	237,238	2006-2011
Stafford Commerce Park	198,929	2007-2010
Stafford Commerce Center	155,836	2001-2003
The Town Center at Aquia	100,676	2007



Tenants	Industry
BAE Systems	Defense, Security, Aerospace
Camber Corp	Defense, Aerospace
Computer Sciences Group	IT Infrastructure
Conscious Security	Security
General Dynamics	Defense, Aerospace
George Mason University	Education
Germanna Community College	Education
Human Touch	IT Infrastructure
infoReliance Corp	Security
Kalman & Company	Business Management
Management & Technology Solutions	Business Management
ManTech International	Defense, Security, Aerospace
Patricio Enterprises	Business Services
Qinetiq North America	Robotics

Tenants	Industry
Regus Stafford	Real Estate
Science Applications International Corp	Engineering, Information Technology
The Columbia Group	Defense
The Mitre Corporation	Not-For-Profit
Trijicon	Optics
Trustcomm	Communications
University of Mary Washington	Education
University of Maryland University College	Education
URS Corporation	Engineering, Consulting
X Corp Solutions	Business Services
Garden Coffee	Beverage
Trust.com	Business Services
CITI	Business Services
Washington Real Estate Investment Trust	Financial Institutions

Quantico Center (Dumfries, VA)

Located at the intersection of I-95 and Route 234, Quantico Center is a 260,000 square foot office development that sits on approx. 50 acres of land. There are six existing buildings on the site. An additional 62,000 square feet of office is proposed for the site. Quantico Center has plenty of nearby amenities including a 107-unit Holiday Inn hotel. Asking office rental rates range from \$25 to \$29 per square foot.



Tenants	Industry
Jacobs Technology	Engineering, Consulting
Marine Corps Heritage Foundation	Not-For-Profit
CGI	IT Infrastructure, Software
BMI Defense Systems	Engineering, Consulting
Survice Engineering Company	Engineering
Advanced Management Strategies Group	Business Management
Concord Crossroads	Defense
Vein Clinics of America	Medical
Logis-Tech	Logistics
Tekla Research	Defense
Alion Science & Technology	Engineering
Wellington Federal	Business Management
Fort Belvoir Health Center	Medical





PROJECT OVERVIEW



Property History

- Potomac Shores originally broke ground in 2007, but stalled due to the financial crisis in 2008 and 2009. In July 2011, SunCal purchased Potomac Shores (formerly Harbor Station) from WellsFargo/Wachovia. Since acquisition, SunCal gained approval to rezone the project to Town Center Special Use Permit and Golf Course Special Use Permit along with the formation/enhancement of a Community Development Authority (“CDA”) which provides public financing for infrastructure improvements within the community. Currently, the site is fully entitled for up to 3,987 residential units and requires 3.7 million square feet of non-residential uses, which will be comprised of office (approximately 33% of the non-residential uses), hotel space, retail area and the golf course.
- Prince William County approved the creation of the Harbor Station Community Development Authority (“CDA”) on April 19, 2005. The Community Development Authority Act allows public improvements to be financed with either an additional real property ad valorem tax or benefit assessment levied on property within the community development authority. The Rate and Method of Apportionment of the Special Tax (“RMA”) provides for the sale of bonds in multiple issues. The current business plan assumes the use of approximately \$98,000,000 in public financing through multiple bond issues by the Harbor Station CDA. These bond issues will provide approximately \$81,700,000 in net improvement fund proceeds to the Project. (A separate \$30,000,000 has been approved for infrastructure costs for the resort.) The first bond issuance occurred in 2015.

Potomac Shores Community Vision

Situated in Virginia’s Prince William County along the banks of the Potomac River, approximately 25 miles from Washington, DC, Potomac Shores is designed to reflect the history and traditions of the Tidewater region. The community represents the Washington, DC region’s premier master planned community and has been designed to create distinct places within an interconnected group of neighborhoods which preserves the natural features of the site.

Potomac Shores is designed with traditionally scaled neighborhoods with tree-lined streets that are linked together by a rich network of parks, trails and open spaces. The community will feature a variety of townhome-style condos, attached, semi-attached and single family homes, and multifamily residences. At the heart of Potomac Shores is the Town Center which is organized around a series of squares and pedestrian-scaled blocks and will encourage a live/work/play environment. In addition to an assortment of planned boutique retail, entertainment and dining amenities, the Town Center will include a brand-new VRE station which is scheduled for completion in 2017. The station will undoubtedly be a major draw for new residents as it will provide a direct connection to downtown Washington, DC and several of the area’s major suburban employment centers including Springfield and Alexandria, Virginia.



POTOMAC SHORES SUMMARY

Project	Potomac Shores
Current Development Plan	• Up to 3,987 units, in a mix of single family detached, single family attached, and multifamily units • Up to 3.7 million square feet of commercial area: – 330,000-square-foot resort hotel with 250 keys – 59.3 acres of office space (3,040,000 s.f.) – 10.8 acres of retail space (~ 230,000 s.f.) • 18-hole Jack Nicklaus designed golf course • Golf clubhouse and other club facilities • Dedicated sites for an elementary, middle school and library • New VRE station with 550 parking spaces • Marina • Shores Club / community recreation center • 10 miles of trails, parks and open spaces • Extension of Potomac Shores Parkway west to new intersection with Route 1 and Route 234
Jurisdiction	Potomac Shores, VA 22026 Prince William County, VA
Property Type	Planned mixed use
Zoning	PMD (Planned Mixed Use District) and PMR (Planned Mixed Residential District), with approved development proffers.
Site Area	Site: 1,920 acres Open Space: 771 acres Town Center: 228 acres Total Developable Area: 928 acres
Entitlement Status	Fully entitled: Since SunCal purchased the Property in 2011, new proffers have been developed and approved, replacing the previous and very cumbersome zoning documents, revising and simplifying cash proffers and establishing better linkages between residential and commercial phases of the project.
Utilities	Water, sewer, natural gas, electricity and telephone service are in place. There are four sanitary pump stations designed to be built in conjunction with Potomac Shores (Phase 1 is complete)
Transportation	* Project entitlements include a commitment to construct a dual platform Virginia Railway Express station at the Town Center. Approximately \$75 million in federal funds have been confirmed for the construction of the third rail project. * Direct access to Interstate 95, the Route 1/234 Interchange and two major airports, Ronald Reagan Washington National Airport and Washington Dulles International Airport. * Extension of Potomac Shores Parkway will provide direct access to the Route 1/Route 234 Intersection.



The Tidewater Tradition

Potomac Shores draws upon the architectural heritage and environmental atmosphere of the Tidewater Region – areas such as Norfolk, Richmond and Newport News. Design guidelines incorporate regional building traditions with contemporary interpretations of detailing and materials. In doing so, planners aim to create a relaxed and walkable, resort-style atmosphere which is blended into the natural environment, complements the architecture and avoids monotony throughout each neighborhood. Landscaping will soften the built elements and create a sense of place at Potomac Shores.

The Town Center

The Town Center is designed as the anchoring element of Potomac Shores. As such, the elevated Town Center will take advantage of impressive waterfront views of the Potomac River and Powell's Creek and will encompass 228 acres within the community. The Town Center will feature a mix of upscale residential neighborhoods, corporate offices, retail shopping, recreation and cultural and community facilities to support a live/work/play dynamic.

The Town Center is envisioned as a series of eleven blocks arranged in a street grid that enhances pedestrian mobility and integrates with future development parcels south of the retail core. The riverfront commercial, hospitality uses and the VRE station will be the focus of the commercial core with residential uses providing a critical mass to enliven the core and enhance the commercial visibility and viability. In keeping with the Tidewater tradition, architectural styles will be varied and eclectic yet proportional for a pedestrian-focused streetscape.



TOWN CENTER PROJECT SUMMARY

Use	Area/Qt
Hotel / Golf Clubhouse	+/- 350,000 s.f. (250 keys)
Retail / Commercial / Office	+/- 3,270,000 s.f.
Recreational Center	+/- 16,000 s.f.
Res. Units*	812 units

* Includes a mix of condos, flats, townhomes



Site plan



THE FAIRWAYS District:

- A FAIRWAYS Cove**
By **Ryan Homes**
Potomac Shores' largest neighborhood with three quiet cul-de-sacs
- B FAIRWAYS Shore**
By **Ryan Homes**
Gracious one-level living in three designs with optional lofts
- C FAIRWAYS Pointe**
By **Ryan Homes**
Two tranquil cul-de-sacs along the majestic 12th hole
- D FAIRWAYS Landing**
By **NVHomes**
The luxury of estate living among forests and the 5th hole
- E FAIRWAYS Overlook**
By **NVHomes**
Closest enclave to the Potomac with up to 1/3-acre homesites

POTOMAC Shores:

- 1 MAIN ENTRY**
- 2 THE GREETING HOUSE**
- 3 ENTRY TO THE FAIRWAYS District:**
- 4 CANOE LAUNCH**
- 5 THE TIDEWATER District: GOLF CLUBHOUSE**
- 6 THE SHORES CLUB**
- 7 THE MARKETPLACE District: TOWN CENTER**
- 8 THE LAKE District: CORPORATE CAMPUS**
- 9 THE RIVERBLUFF District: BLUFFTOP PROMENADE**
- 10 THE WATERFRONT District: MARINA**
- 11 THE WOODS District: SOUTHERN NEIGHBORHOODS**



LOCATION OVERVIEW



Prince William County, Virginia

The second largest county in the Commonwealth of Virginia, Prince William County lies directly among Northern Virginia's 2.8 million residents. Prince William County is proximate to major demand drivers including Marine Corps Base Quantico, FBI National Academy (Stafford, VA campus), Fort Belvoir, National Reconnaissance Office, the Pentagon, Potomac Mills, Washington Dulles and Ronald Reagan International Airports, George Mason University Life Sciences Campus at Innovation Park, Northern Virginia Community College (the largest educational institution in the Commonwealth of Virginia and the second largest community college in the United States), and only 25 miles from downtown Washington, DC. In addition to having the largest concentration of programming and computer science professionals in the region, Prince William County boasts the largest cluster of life sciences companies in Northern Virginia, having added 1,400 new life sciences jobs over the past 10 years. Employment growth over the next 10 years is estimated at approximately 18.5% and will be led by Healthcare (41.45% increase) and Computer/Mathematical Industries (30.74% increase).

According to a recent study by the University of Virginia's Weldon Cooper Center for Public Service, Prince William County's population is expected to grow by 50.7% by 2040, adding an additional 660,000 residents. Despite recent articles discussing growth in urban cores during the recession, many of the youngest homebuyers in the Washington region are flocking to the suburbs, according to Lisa Sturtevant, executive director of Washington's Center for Housing Policy, the research arm of the nonprofit National Housing Conference. "The suburbs are ripe for a rebirth," Sturtevant says. "Despite everything you hear about cities, people want a single-family home."

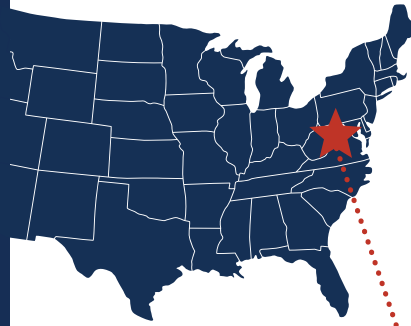
The County is highly attractive to businesses due to its low tax base, highly educated workforce and proximity to major economic centers. Over one million of the National Capital Region's professionals reside within a 30 minute drive of Prince William County. This pool of professionals is highly educated (43% have four-year degrees) and provides area businesses, contractors and government offices with an abundance of top talent and experience.

Prince William carries AAA status from all three of the major credit ratings agencies (Fitch, Moody's and S&P) – leaving it as one of only 38 counties in the entire nation to carry three AAA bond ratings. Including states and cities, Prince William County is one of only 77 jurisdictions nationwide with this prestigious designation, which is a testament to its sound financial management and stability as a local municipality.



PRINCE WILLIAM COUNTY HIGHLIGHTS

- Located 25 miles from Washington, DC
- 2nd largest county in the Commonwealth of Virginia.
- Estimated 50.7% population growth over the next 25 years.
- Access to an outstanding talent pool of highly-skilled, culturally diverse labor where 43% of the workforce has four-year degrees, 20% more than the national average.
- 250% more workers hold an advanced degree compared with the nation as a whole.
- 75% of Northern Virginia's 1.3 million workers live within a 30 minute, one-way commute to the center of Prince William County during rush hour.
- Pro-business community which ranked #8 nationwide for job growth by CNN Money.
- 57% increase in the number of business establishments over the past decade.
- 40% employment growth over the past decade compared with 25% regionally.
- More INC 500 firms located in Prince William County than anywhere in the United States.
- Highest expenditures on University R&D in the nation.
- AAA bond rating from all three of the major credit ratings agencies.



DISTANCE TO MAJOR DEMAND DRIVERS FROM PRINCE WILLIAM COUNTY

Potomac Mills	5.7 miles
Ft. Belvoir	12.5 miles
Quantico Marine Base	12.9 miles
FBI National Academy (Stafford, VA)	20.4 miles
Innovation Park	
• George Mason Life Sciences Campus	20.8 miles
• Northern Virginia Community College	
Alexandria, Virginia	22.9 miles
The Pentagon	24.2 miles
CBD, Washington, DC	25.0 miles
Tysons, Virginia	32.5 miles
National Reconnaissance Office	33.0 miles



Demographics in Prince William County

Population
429,864

Unemployment
4.6%

Population earning over \$75,000/year
68%

Median Home Value
\$371,038

Median AGE
34.3

41% Adults over age 25 with a college degree

Average Household Income
\$117,609

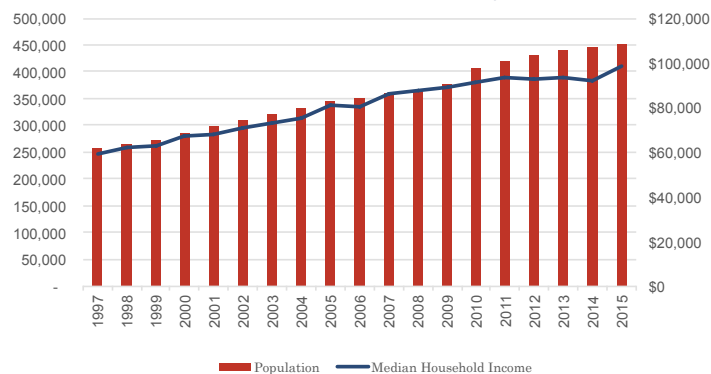
Median Household Income
\$99,620

Average Home Value
\$415,021

UNEMPLOYMENT RATE
1997 – 2016
Prince William County



RESIDENT POPULATION & MEDIAN HOUSEHOLD INCOME
1997 – 2014
Prince William County



Top 15 Employers in Prince William County

Prince William
County School
Board



Walmart
Save money. Live better.

Morale Welfare and Recreation



NOVA
Northern Virginia
Community College

Wegmans
helping you make great meals easy

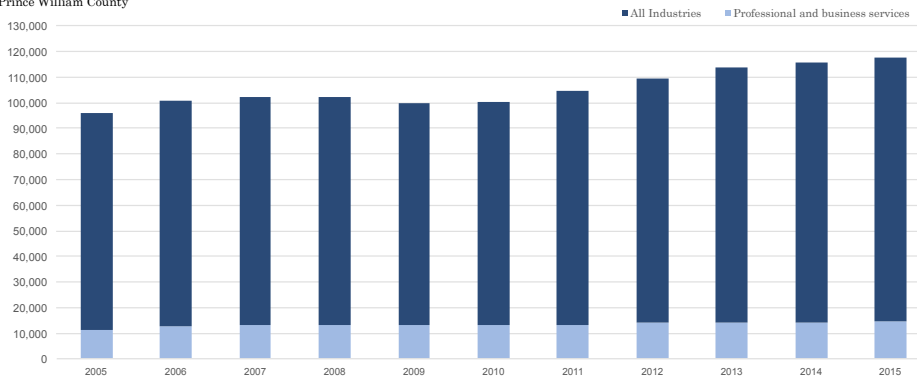


GEORGE MASON
UNIVERSITY

GIANT
Quality. Selection. Savings. Every Day.



Employment Trends
Jan. 2005 - Sept. 2015
Prince William County



MARINE CORPS BASE QUANTICO

- Established in 1917 and birthplace for the nation's most innovative concepts, training and equipment for war times.
- Today, home to the Officer Candidate School, The Basic School and several specialty schools.
- Over 22,000 military, civilian and contractors work on base.
- Site of the 120,000-square-foot National Museum of the Marine Corps which has attracted nearly three million visitors.
- Expanded in 2011 by approximately 3,000 positions due to the Base Realignment and Closure Act.

Prince William County Accolades

Top 15
Wealthiest
Counties in
the U.S.

- American Community Survey 2013

8th best place
for job growth

- CNN Money

2nd largest
& 4th fastest
growing
county in
Virginia

- Weldon Cooper Center's
July 1, 2013 Population Estimates

100 Best
Communities for
Young People

- America's Promise Alliance

Top 25 High-
tech hotspots

- Progressive Policy Institute
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INNOVATION PARK

November 2015 saw the eagerly anticipated start of construction on the Prince William Science Accelerator at Innovation Park. The 9,000 square foot space will be home to nine new wet labs spaces and will become the only public-private commercially available property featuring wet laboratory spaces in the Northern Virginia region for the Life Sciences Industry. Anchored near George Mason University Life Science Campus, the facility is designed as an innovative environment for entrepreneurial research and product development, and to support work in conjunction with existing industry and universities - creating a further key element to the growing life sciences ecosystem in Prince William County. The Prince William Science Accelerator allows small technological companies to utilize their lab and office spaces for an affordable cost, helping them grow. Innovation Park was first constructed in 1998 and is now a major employment generator with more than 26 companies with 2,300 employees working within its scope. The Virginia Department of Forensic Science, the National Institute of Health's Biomedical Research Laboratory, the FBI's NOVA Resident Agency, Mediatech, ISO-Thrive and Microvax are among the companies that utilize the Innovation Park space.



World-class Healthcare System

Prince William County is home to Sentara Northern Virginia Medical Center, Novant Health Prince William Medical Center and more than thirty major medical and specialist establishments. Both Sentara and Novant are staffed with approximately 1,300 personnel and 500 physicians each. Sentara Healthcare is Prince William County's 6th largest employer and has invested or committed over \$90 million in new technology and clinical services across the region. Sentara ranks among the nation's top integrated healthcare systems, twice was named #1 most integrated systems by Modern Healthcare and is recognized as one of the "Best Hospitals in Northern Virginia" by *US News and World Report* 2013-2014 America's "Best Hospitals" Issue.



Educational Institutions

Prince William County is home to four major educational institutions, George Mason University, Strayer University, Stratford University and Northern Virginia Community College ("NOVA"). Prince William County is also within commuting distance to over 40 colleges and universities throughout Northern Virginia and the Washington, DC metropolitan area. NOVA is the largest institution of higher education in the Commonwealth of Virginia and one of the largest community colleges in the United States. Since 2013, NOVA has invested over \$60 million and recently announced plans to invest an additional \$2.2 million in a new college-wide initiative to persuade more students to pursue Science, Technology, Engineering and Math curriculums

George Mason University opened its third campus in Prince William County in August of 1997. The 134-acre campus now serves more than 4,000 students in five innovative facilities specially designed for classrooms, laboratories, libraries, recreation, the arts and other uses. In addition, the campus is home to a 300-seat Verizon Auditorium, the Freedom Aquatic and Fitness Center, the Mason Center for Team and Organizational Learning, the Mason Enterprise Center, the Hylton Performing Arts Center, a biomedical research laboratory and Beacon Hall.



Amenity Base

Waterfront Living

Prince William County includes nearly 60 miles of shoreline, attracting a large number of visitors each year and new residents who wish to take advantage of waterfront living. Leesylvania State Park covers 556 acres along the Potomac River and offers boating and water sports amenities with launching ramps, sailboat hoists and small water craft rentals. Potomac Shores includes one of the few remaining stretches of undeveloped land along Virginia's coastline and will capture the beauty of its natural waterfront setting by providing both public and private accessibility to the water through inter-site connections with its Town Center, marina, boardwalk and residential access points.

Shopping Destination

For nearly three decades, people around the Washington Metropolitan region have flocked to Prince William County for its extraordinary shopping amenities. With over 220 stores, Potomac Mills, just seven miles from Potomac Shores is a retail icon of the East Coast and is the largest outlet and value retail shopping destination in the Greater Washington, DC region, offering a wide range of luxury and specialty brands.

Located just off of Dale Boulevard at the I-95 exchange is Stonebridge at Potomac Town Center. This 120-acre site features 500,000 square feet of upscale retail and restaurants, active public spaces, entertainment, animated main streets and 308 multifamily dwelling units. Anchored by a 138,500-square-foot Wegmans, Stonebridge at Potomac Town Center offers a mix of over 60 retailers including Golfsmith, Apple, Sport & Health, REI, Old Navy, along with an eclectic mix of restaurants, cafes and service amenities.





Transportation

Prince William County residents enjoy access to every form of transportation in the metropolitan region. Residents at Potomac Shores can easily access major thoroughfares and are only two miles from Interstate 95 and just 2.3 miles from the Route 1/ Route 234 interchange (soon to be directly accessible by the extended Potomac Shores Parkway). Manassas Regional Airport is located just under 20 miles to the west, while major international airports at Washington Reagan (40 minute drive), Washington Dulles (50 minute drive), Baltimore Washington (80 minute drive) and Richmond International (90 minute drive) are easily accessible.

Over the past five years, roadway and infrastructure improvements have been numerous, including new HOT lanes on I-95 and major investments to Route 1 which is being transformed to a six-lane highway with improved accessibility and community connections along with pedestrian and bike-friendly hardscaping. Yet public transit still lagged and hampered the full development of a transit-oriented environment. However, in late summer of 2014, a brand-new, state-of-the-art VRE station at Potomac Shores was approved and delivery scheduled for 2017. This station is directly in the Potomac Shores master planned community, located in the Town Center, a 5-10 minutes walk from office pads. The station will be a vital link in the region's commuter rail network and will reduce the number of cars on Route 1 and Interstate 95. For Potomac Shores, this will solidify its Sponsor's goal of creating a highly attractive, transit-oriented community with convenient access to multiple forms of transportation.

WHAT IS A TRANSIT-ORIENTED DEVELOPMENT (TOD)?

- Mixed-use area designed to maximize walkability with a transit station as the typical focal point.
- Typically includes housing, office, retail and other recreational amenities which are integrated into a walkable neighborhood and located within a half mile of quality public transportation.
- Promotes community connectivity through a multi-modal network of transit options.

WHY IS TRANSIT-ORIENTED DEVELOPMENT KEY TO COMMUNITIES' SUCCESS?

- Economic performance within the region has been strongest in the most walkable locales, and less than 1% of the land in the entire Washington MSA is devoted to transit-oriented development.
- Meanwhile, those areas that are among these transit-oriented developments house 35% of the region's jobs. For example, Arlington County, which includes 11 Metrorail station, has less than 10% of the county's land yet generates one-third of its revenues.
- The confluence of educated individuals brought together by a common desire to live and work in walkable, mixed-use localities has been a driving factor in TOD-communities' success.
- Added value created through increased property values where transit investments have occurred.

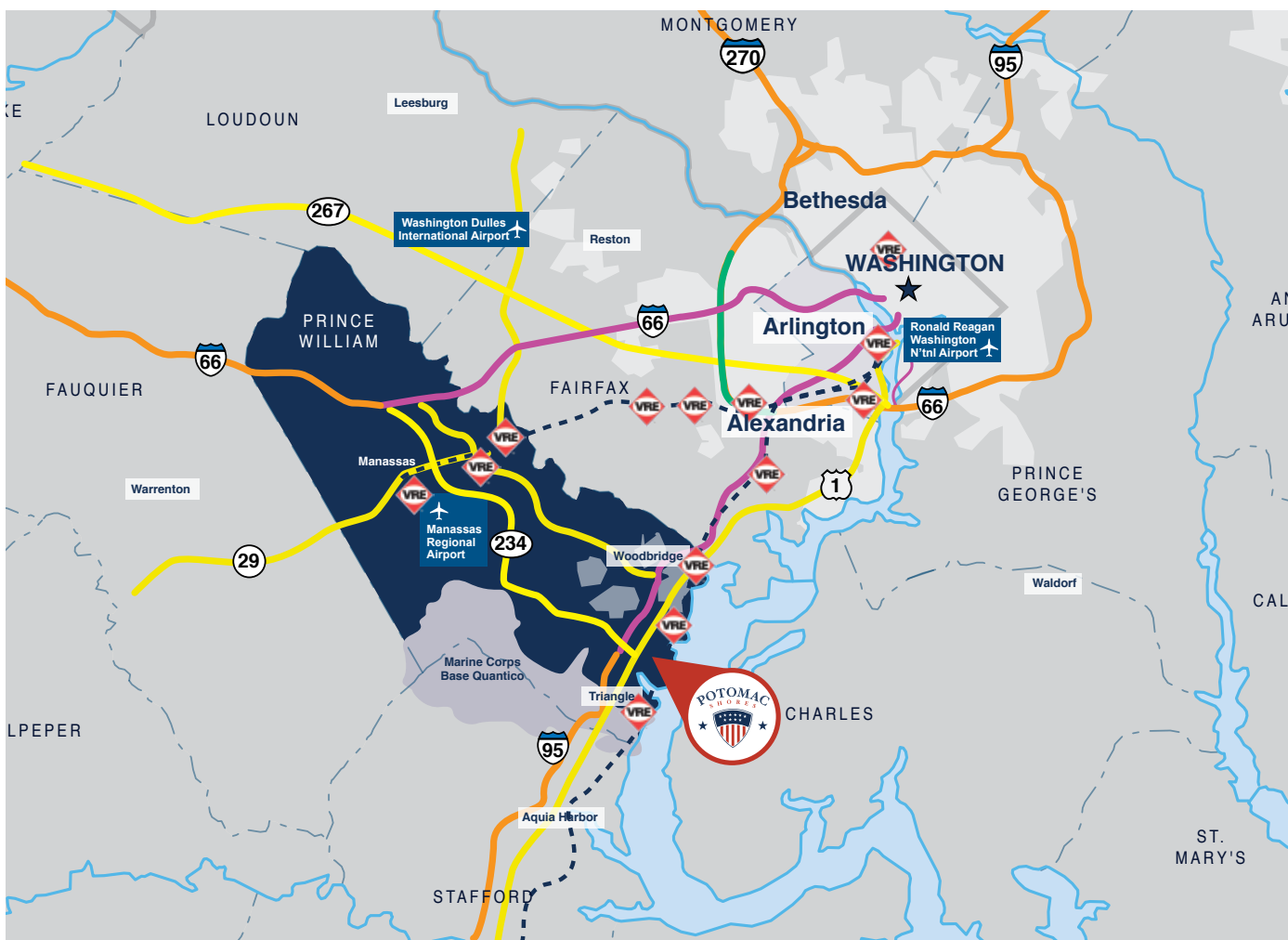


TRANSPORTATION

Major Transit Node	Distance from Potomac Shores
Future VRE Station at Potomac Shores	On-site (2017)
Potomac Shores Marina	On site
Route 1	1.5 miles
Route 234	2.3 miles
Interstate 95	2.8 miles
Manassas Regional Airport	19.9 miles
Capital Beltway (I-495)	21 miles

Major Transit Node	Distance from Potomac Shores
Interstate 395	21 miles
Interstate 66	32 miles
Ronald Reagan Washington National Airport	33 miles
Washington Dulles International Airport	46 miles

 Virginia Railway Express Commuter Train Station	 HOT Lines
 Interstate Highway	 Major Highway
 HOV Lanes	 Commuter Rail Line



Greater Washington Region

The Greater Washington Region has successfully navigated the recent challenging economic conditions and has emerged as one of the country's best performing economies. Since 2006, the regional economy has grown by nearly 7.5% (inflation adjusted). No other major metropolitan area in the United States enjoyed a greater level of economic growth during this period. In fact, the Greater Washington economy outperformed most other major metropolitan regions by more than two percentage points.

Over a decade of consistent, solid growth has made the Washington region one of the most important economic powerhouses. Between 2001 and 2013, the region added approximately 325,000 jobs. This was 100,000 jobs more than the combined employment gains of Dallas and Seattle. Over the past decade, six of the top ten major metropolitan areas experienced net declines in employment, whereas the Greater Washington Region continues to grow. Over the next 26 years, analysts predict average employment growth to range between 37,000 and 54,000 jobs per year, for a total of 518,000 to 756,000 new jobs. Household growth projections for the same time period are estimated at 25,000 to 35,000, indicating a strong future demand for housing in the region.

The Washington, DC Metropolitan Statistical Area, as a result of having one of the strongest metropolitan economies experiences some of the most favorable demographics in the country:

14%

economic expansion versus 3% for the nation as a whole since 2007.

3x

the national average for adults over age 25 have bachelor's degrees.

Nearly 4x

the national average for adults holding graduate or professional degrees.

4.9% (2015)

unemployment rate, and the nation's lowest throughout the recession.

Over half of suburban households earn over

\$100,000/year





SPONSORSHIP: SUNCAL



SunCal is one of the largest real estate development companies in the United States that specializes in large-scale, mixed-use master planned communities, and has been acquiring, entitling and developing property for more than 80 years. The Company has extensive experience in creating master planned communities that range anywhere from 200 units to over 100,000 units. To-date, SunCal has been involved in more than 120 large-scale projects, encompassing 128,500 acres and nearly 290,000 units. The Company has been recognized

numerous times for its communities, including Best Community Development (American Institute of Architects), Masterplanned Community of the Year (Elan Awards) and Project of the Year (American Society of Civil Engineers).

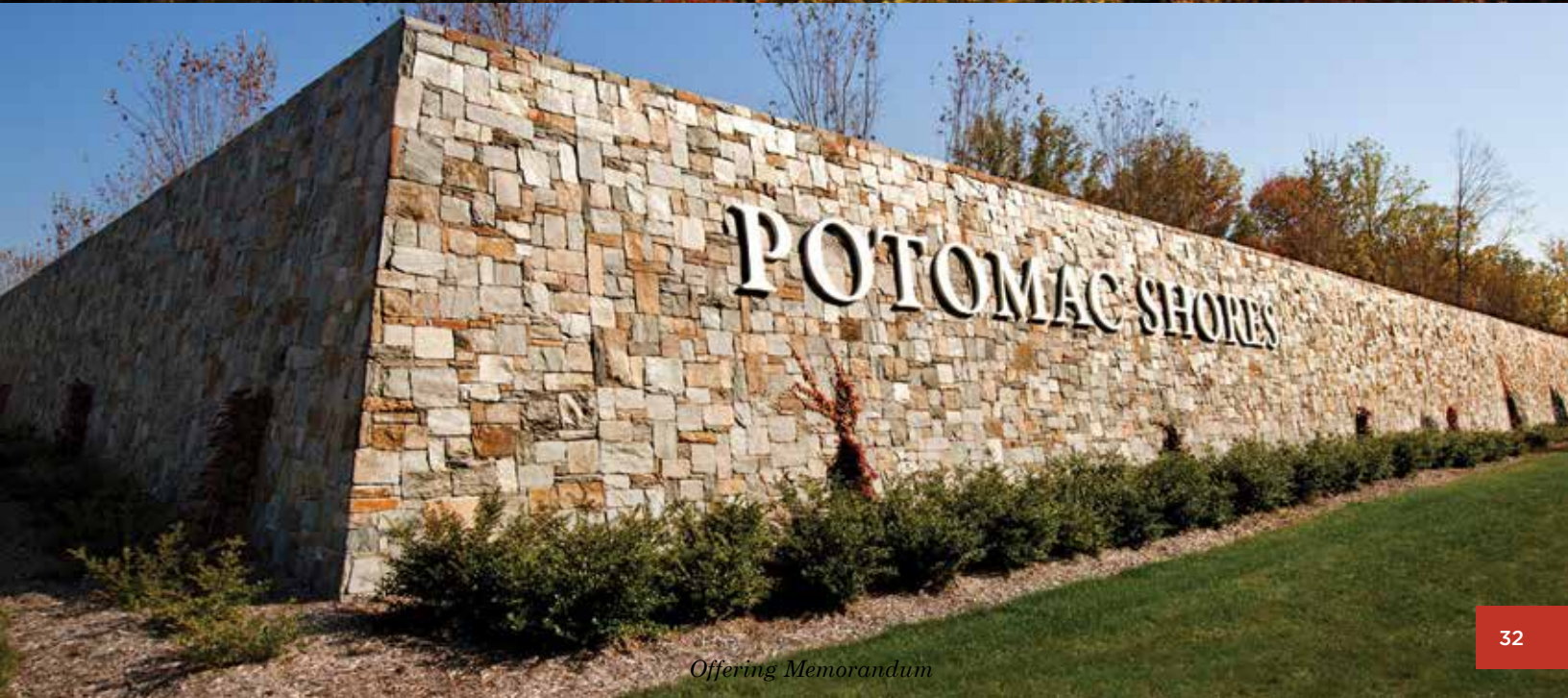
SunCal's developments are diverse in terms of housing types, density and population demographics, and the Company specializes in creating distinctive communities that emphasize quality of life, environmental sensitivity and recreational opportunities.

In addition to residential communities, SunCal is also experienced with large commercial, retail, and mixed-use projects as well as affordable housing developments. The Company's expertise also includes military base and defense-related site conversions, redevelopment projects, hazardous material cleanup, historic preservation and sustainable developments.

SunCal has made protecting the environment – for both recreation and habitat protection – an essential component to the planning process. In each SunCal community, residents will find a wealth of natural features preserved within and around the community. Potomac Shores is no exception to this commitment and SunCal has ensured that 850 acres within the 1,920-acre community are being preserved, providing habitat for birds, deer and other wildlife and flora. Nature serves as a major component to Potomac Shore's recreational amenity base as residents will have unfettered access to the Potomac River and Powell's Creek, along with 10 miles of biking, hiking and running trails and the recently completed Jack Nicklaus golf course.

SunCal's commitment to smart planning both enhances residents' quality of life while protecting the natural environment. In each of its projects, SunCal works to create a self-contained, "lifestyle" community which includes localized shopping and employment, improved traffic solutions, educational facilities, housing diversification and extensive outdoor recreational activities. In doing so, the Company ensures that biologically sensitive areas and wildlife corridors are preserved while construction and engineering experts utilize the most up-to-date and efficient building materials and systems. In addition, SunCal works diligently to ensure each community maintains its cultural and historical significance, just as Potomac Shores adheres to the Tidewater Tradition.

SunCal is headquartered in Irvine, California, and has offices in Northern California; New York City; Washington, DC; Las Vegas, Nevada; Austin, Texas; and Savannah, Georgia.





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