



May 20, 2009

**RE: Gray Development Group – Parcel 2H**

Dear Desert Ridge Stakeholders,

I would like to introduce you to Gray Development Group (GDG) and an exciting new investment we seek to make in your community on Parcel 2.H in Desert Ridge. Parcel 2.H is a freeway-frontage property located at the northeast corner of 56<sup>th</sup> Street and the Loop 101 Freeway.

Founded in 1991, GDG is an award-winning multi-family development, design and management company. GDG has been voted Arizona's number one multi-family builder seven times since 2000 by readers of *Arizona Business Magazine*. Since our inception, we have completed more than 6,800 multi-family units throughout Greater Phoenix, and have nearly 1,250 new units currently under construction in Phoenix, Tempe, and Peoria. One of our most recent projects, Grigio, was named "Apartment Community of the Year" in 2008 by the National Apartment Association.

GDG also strives to ensure that our designs are sensitive to the surrounding environment and to meeting community needs. For example, through a partnership with the City of Tempe and Metro Light Rail, GDG is developing Grigio Metro, Arizona's first true "transit-oriented development". Grigio Metro features a Metro park-and-ride garage that is completely "wrapped" by multi-family homes and ground level retail.

We are extremely excited about the opportunity to initiate the first developments within Superblock 2 in Desert Ridge. Our intent is to develop 1,066 new apartment homes through a three-phased master plan approach. Together, our three phases called Jazz, The Peaks and Pavilions will offer distinctive architecture, extensive amenities and enviable lifestyles.

Parcel 2.H's location adjacent to the Loop 101 Freeway and the Desert Ridge core make it an ideal candidate to utilize density originally planned for, but ultimately not used, in existing developments on other superblocks within Desert Ridge. Recapturing a portion of this unused density will:

- Provide a critical mass of new customers for nearby CityNorth and Desert Ridge Marketplace;
- Assist area employers to meet their workforce needs by contributing to a diverse mix of housing opportunities for employees;
- Offer diverse housing opportunities for a wide range of households, from young professionals to empty nesters.
- Reduce the number and length of commuter trips by providing opportunities for employees to live proximate to the area's major employment center; and
- Help the City of Phoenix to fund important infrastructure for Desert Ridge through the collection of new impact fees.

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GDG approaches each and every project with a spirit of innovation and creativity that permits residents and surrounding neighborhoods to view GDG communities as points of pride. Residents and businesses that have preceded us in Desert Ridge have laid a strong foundation for future growth. We look forward to being a positive part of that future.

Sincerely,

  
Brian Kearney  
Chief Operating Officer