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December 22nd, 2009

Roger Stancil, Town Manager
 Town of Chapel Hill
 405 Martin Luther King Jr. Blvd.
 Chapel Hill, NC 27514

Mr. Stancil,

Ram Realty Services is very pleased to share with you our success over the last quarter. Thanks to our past efforts, we have been able to offer our buyers the same quality homes at new value prices and the response has been exceptional. We have 33 new contracts signed since Labor Day and continue to see increased traffic in our sales center. The overall market also continues to show signs of recovery, especially here in the Triangle, and the stabilization of prices and increased buyer interest signal growth in the next quarter as well. The greater Triangle market continues to be among the leaders in the nation for retaining property values. This market also has one of the lowest loan delinquency rates among the major markets, indicating that future foreclosures are not a major risk for the Triangle.

On the construction side, we are working with our contractor to select the subcontractor team and award contracts. We are cautiously optimistic we can complete this process and still create savings for the project and the Town. The selection process and contracting will take an additional 90 days, but we should have final budget information to share with the Town in mid-April. Once this process is complete, we will also finalize our construction schedule, but thus far we are still on track to begin construction in June of 2010.

In order to begin construction however, we still need to complete the ZCP for the base building and secure building permits. Our contractors have completed the last detail drawings and calculations needed for the building permits and they have been submitted. Similarly, we have worked extensively with the Town Management and Planning Staff to complete the final submittal of our Zoning Compliance Permit application, which was submitted December 21st. Tentatively, we believe we can complete both of these review processes and secure all necessary easements for construction over the next 120 days.

In conclusion, our commitment to Chapel Hill and the 140 West Franklin project has been rewarded over the last quarter. Ram's local presence and financial stability has given our buyers confidence. We believe that because we can maintain the same high-quality project, even at these lower prices, we can continue to encourage our buyers to invest, as we have, in Downtown Chapel Hill. As before, we continue pursue the enormous potential we see in this market and look forward to sharing further success with you as we prepare for building 140 West Franklin.

Very Best Regards,

Mike Hammon
 Chief Development Officer
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