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StonebridgeCarras, PN Hoffman join with Northwestern Mutual to undertake new mixed-use development in Bethesda, Maryland

StonebridgeCarras and PN Hoffman announced today that they have formed a joint venture with Northwestern Mutual to develop a mixed-use project in the heart of Bethesda's prime commercial district at the corner of Woodmont and Bethesda Avenues. StonebridgeCarras and PN Hoffman have been working with Montgomery County since 2005 to re-develop the County's two surface parking lots (commonly referred to as Lots 31 and 31A) into a vibrant mixed-use project featuring 250 residential units and 40,000 square feet of street retail above a public parking garage that will accommodate approximately 950 cars. With the requisite approvals in place, Northwestern Mutual's financial strength enables the team to move forward with the \$200 million development project, currently expected to break ground in January 2012.

"We are extremely pleased to have been able to bring one of the most successful institutional real estate financial partners into the development of Lot 31," commented Douglas M. Firstenberg, a principal with StonebridgeCarras. "We look forward to creating a vibrant mixed-use project that builds on the great success of Bethesda Row."

Residential components of the development include The Darcy, an 88-unit luxury condominium, and The Flats, a 162-unit apartment building. "While we anticipated strong interest when opening the Darcy sales center a few months ago, the response has exceeded expectations and sales are ahead of schedule," said Monty Hoffman, CEO of PN Hoffman. "We have agreements for more than a third of the Darcy residences and interest continues to grow each week."

"Northwestern Mutual actively invests in high quality mixed-use developments. The development of Lot 31 at the epicenter of downtown Bethesda, adjacent to the walkable Bethesda Row community, represents high quality urban redevelopment and strong long-term value for our policyowners," noted Matthew Ascher, Director with Northwestern Mutual Real Estate Investments. "We are pleased to venture with StonebridgeCarras and PN Hoffman and look forward to a productive relationship."

The Darcy's sales are being directed by PN Hoffman Realty, LLC and the retail leasing by KNLB Retail. The project has been designed by SK&I Architectural Design Group and the Clark Construction Group is the general contractor for the project.

Buvero Investments is also investing with StonebridgeCarras and PN Hoffman in this project.

Holliday Fenoglio Fowler, LP represented StonebridgeCarras and PN Hoffman in this transaction.

About StonebridgeCarras

StonebridgeCarras is a privately held real estate investment and development firm based in Bethesda, MD focusing primarily on developing mixed-use properties in the Washington, D.C. metropolitan region. During the past 20 years, the principals of StonebridgeCarras, LLC have been involved in the acquisition, development, joint venture, financing, and disposition of real estate assets in the Washington area exceeding \$5.0 billion in value.

About PN Hoffman

PN Hoffman is a market leader of luxury condominium, multifamily and mixed use development in the Washington area. For almost two decades, PN Hoffman has helped transform neighborhoods throughout Washington. With a reliable track record and over 30 successful projects, PN Hoffman has built a reputation for quality design and excellence in urban development. Current premier projects include Lot 31 and the Southwest Waterfront – the “Wharf”.

About The Northwestern Mutual Life Insurance Company (Northwestern Mutual)

Northwestern Mutual has helped clients achieve financial security for more than 150 years. As a mutual company with over \$1 trillion of life insurance protection in force, Northwestern Mutual seeks to share its gains with policyowners and deliver consistent and dependable value to clients over time. Northwestern Mutual is one of the largest real estate investors in the nation, with investments in commercial mortgages, equities and securitized investments across all major property types, and with real estate professionals providing origination, underwriting, and service in regional offices across the country. Find more information about Northwestern Mutual’s real estate investing at <http://www.northwesternmutualrealestate.com>.