

Market Rent Schedule

	Adjusted
Operating Expenses:	
Administrative	
Credit Reports	\$ 2,160
Courier & Postage	600
License & Permits	-
Dues & Subscriptions	900
Office Equipment, Furniture Rental & Computer	900
Office Supplies	-
Travel, Meals & Entertainment	-
Education & Training	-
Petty Cash	-
Bank Service Charges	420
Other Office & Operating	1,200
Printing & Reproduction	360
Internet / DSL Access	336
Telephone, Answering Service, Pager & Fax	3,600
Subtotal Administrative	\$ 10,476
Off-site Management: Actual & Adjusted at 3.00%	\$ 70,660
Marketing & Advertising	
Printed Media	\$ 1,000
Tenant Referrals & Retention	600
Brochures / Printed Material	250
Resident Promotions	760
Signs / Flags / Banners	500
Internet & Radio Advertising	6,000
Apt. Magazines & Other Guides	14,400
Model Maintenance	-
Other	-
Subtotal Marketing & Advertising	\$ 24,300
Insurance	
Insurance - Property	\$ 42,700
Insurance - Personal	-
Subtotal Insurance	\$ 42,700
Contract Services	
Landscaping - Service	\$ 38,640
Landscaping - Supplies & Plants	1,000
Pool - Service & Supplies	5,520
Pest Control - Service & Supplies	3,336
Elevator Service	-
Trades / Non-Staff Labor	-
Security / Courtesy Patrol	-
Fire Protection & Life Safety	300
Other	-
Subtotal Operating Subcontracts	\$ 48,796

Any projections, opinions, assumptions or estimates used here within are for example purposes only and do not represent the current or future performance of the property.

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Detail of Expenses

	Adjusted
Operating Expenses:	
Payroll Expenses	
On-site Manager	\$ 38,400
Manager's Apartment	-
Assistant Manager	-
Leasing Agent(s)	18,576
Temporary Help & Services	-
Maintenance Supervisor	24,000
Maintenance Apartment	16,000
Maintenance Labor & Porter	20,640
Other Housing Allowances & Discounts	-
Bonuses	-
Employee Insurance Benefits	7,200
Workman's Compensation Insurance	12,194
Payroll Taxes	11,178
Other	-
Subtotal Payroll Expenses	\$ 148,288
Professional Services	
Accounting & Tax Preparation	750
Legal Fees & Evictions	1,600
Miscellaneous	-
Subtotal Professional Fees	\$ 2,350
Repairs & Maintenance	
Miscellaneous	300
Equipment Rental & Small Tools	180
Plumbing Repairs & Supplies	2,100
Electrical Repairs & Supplies	240
Appliance Repairs & Supplies	1,500
Unit HVAC Repairs & Supplies	2,100
Exterior Building Structure	2,400
Common Area	300
Parking Lot & Gates	360
Cleaning Supplies	420
Maintenance Supplies & Paint	10,800
Caprois & Garage	600
Windows, Screens & Doors	300
Subtotal Repairs & Maintenance	\$ 21,600
Taxes	
Property Taxes	\$ 449,514
Special Assessments	70,142
Personal Property Taxes	-
Subtotal Taxes	\$ 519,656

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Detail of Expenses

	Adjusted
Operating Expenses:	
Utilities	
Electricity	\$ 30,426
Gas	13,750
Trash Removal	61,072
Water & Sewer	4,389
Sewer	25,102
Cable TV	1,664
Other	
Subtotal Utilities	\$ 136,323
Turnover Costs:	
Carpet Cleaning & Repairs	4,320
Cleaning Service	4,680
Counter/Top/Tub Repairs	600
Flooring Repairs	1,200
Locks & Keys	900
Painting & Wall Repair	12,360
Window Covering	500
Other	
Subtotal Turnover Cost	\$ 25,360
Capital Improvements / Reserves for Replacements:	
Roof	6,200
Exterior Structure	4,000
Flooring & Window Covering	5,500
Mechanical & Major Systems	3,500
Furnishings & Appliances	2,800
Handscaps & Landscape Renovations	4,000
Asphalt, Driveways & Gates	3,000
Subtotal Reserves	\$ 28,800
Total operating expenses	\$ 1,087,209

Comments

- Expenses are annualized based on owner's report and Proforma Statement from Owner.
- Actual off-site management equates to 18.94% of EGI and is adjusted to 3.0%.
- Utilities include common electricity, gas, water, sewer and trash.
- Adjusted Insurance is at market rates.
- Property Tax is based upon a tax rate of 1.17520% with a sales price of \$38,250,000 with Direct Assessments totaling \$70,142. Tax records unavailable.
- Current Occupancy reported at 5.5%. First phase only currently open.
- Employee Housing is included in Payroll and is based on the rent roll and adjusted to the current market rent.

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Detail of Expenses

Vista Pointe Apartments - Quote Matrix



Buyer has the option of purchasing the property free of existing debt, cash to new loan, or to assume the existing loan. Existing loan is 5.68% interest only until February 2013 and requires approximately 32% down payment. Assumption fee is approximately 1%. Loan is amortized over 30 years but due in 10 year in February 2017. Loan is in place and assumable but is not yet securitized. Loan will securitize at stabilization of property operations, at which point it will be locked out until January 31, 2012.

¹ Increase in spend based on stabilized net operating income in 2008.

² Custom bridge loan can be obtained, pending on buyer's experience and business plan.

³ Contact Adam Petrella - 310-909-2322 or Anita Puryani - 310-909-5476 at Marcus & Millichap Capital Corporation for more details.

Program Amortization Term	10 Years Fixed 30 years 10 years
Index	10-year Treasury
Index Rate as of 05/11/07 Spread ¹	4.50% 1.15%
Supplemental Financing	No
B Piece Spread	0.00
Start Rate	5.65%
Approximate LTV	65%
Min. DSCR	1.20
Loan Amount - approximate	\$24,750,000
Down Payment	\$13,500,000
Annual Payment - P & I	\$1,714,390
Annual Payment - I	\$1,398,375
Interest-Only Period	5 years
Prepayment Penalty	Defeasance
Tax & Insurance Impounds	Required
Recourse	No
Assumable	Yes
Timing from application	30 to 60 days

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Riverside-San Bernardino

Market Highlights

Rapid Employment Growth

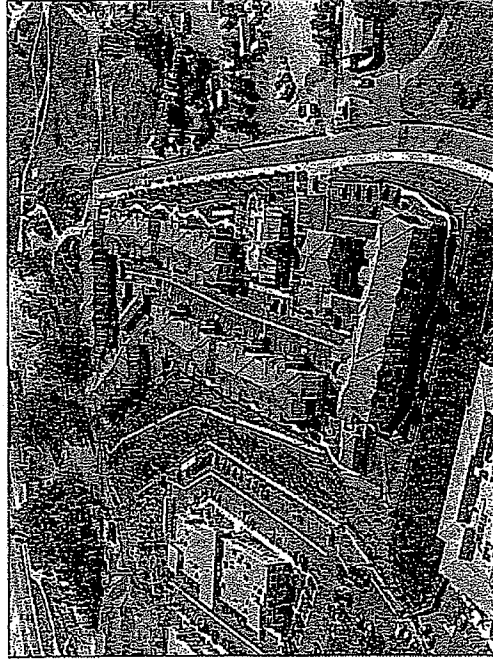
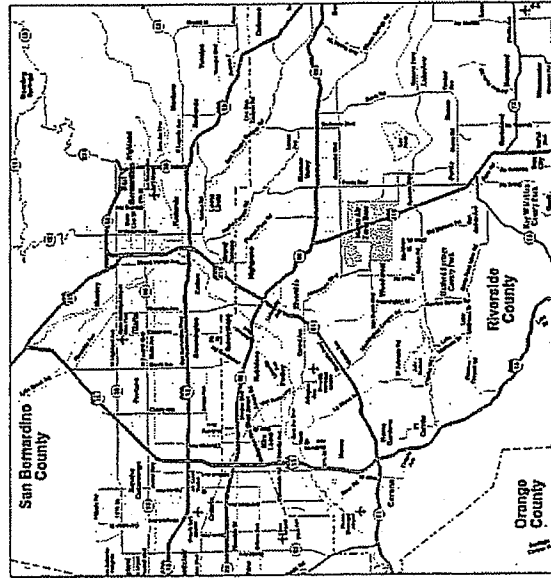
Employment is forecast to grow 70 percent faster than the nation's rate over the next three years.

Strong Demographic Trends

The area's population is increasing at a rate nearly three times faster than the United States' population.

Low Cost of Living

Housing prices are far less than those in adjacent counties.



Geography

Southern California's Riverside-San Bernardino metropolitan statistical area (MSA), also referred to as the Inland Empire, is a 28,000-square mile region comprised of San Bernardino and Riverside counties. It contains four distinct regions. The valleys located in the southwestern portion of the region, adjacent to Los Angeles, Orange County and San Diego County, are the most populous areas of the MSA. The valleys about the San Bernardino and San Jacinto Mountains, behind which lie the high desert area of Victorville/Barstow to the north and the low desert Coachella Valley (which includes Palm Springs) to the east.