



Landmark at Magnolia Glen

2135 Centennial Drive
Hoover, Alabama 35216

Date of Report August 22, 2012

Self Contained Appraisal Report

Colliers File #: Z120167



Subject Property Photo

PREPARED FOR:

Elizabeth Troung, Chief Investment Officer
Landmark Residential
825 Parkway Street, Ste 4
Jupiter, FL 33477

PREPARED BY:

Colliers International
Valuation & Advisory Services



August 22, 2012

Elizabeth Troung
Chief Investment Officer
Landmark Residential
825 Parkway Street, Ste 4
Jupiter, FL 33477

RE: Landmark at Magnolia Glen
2135 Centennial Drive
Hoover, Alabama 35216
Colliers File #: Z120167

Ms. Troung:

In accordance with our engagement, Colliers International Valuation & Advisory Services appraised the above captioned property utilizing best practice appraisal principles for this property type. This appraisal report is intended to satisfy the scope of work and requirements agreed upon by Landmark Residential and the engaged appraiser.

The subject is a 1,080-unit Multi-Family (Garden/Low Rise) complex located on a 99.89-acre site at 2135 Centennial Drive in Hoover, Jefferson County, Alabama. The improvements were built in 1985-1996 and were substantially renovated from 2011 to 2012. As such, they are in good condition and have a remaining economic life of 30 years based on our estimate. Prior to acquisition of the property by the current owner, the property suffered from poor management and significant deferred maintenance. The subject property has a current occupancy level of 92.3%.

The date of this report is August 22, 2012. At the request of the client, this appraisal is presented in a Self Contained appraisal format as defined by USPAP Standards Rule 2-2(a). This format provides a complete description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

VALUE SCENARIOS	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Fee Simple	June 30, 2012	\$72,000,000

Our value conclusion is based on our inspection on May 18, 2012 and a following inspection on August 7, 2012 which revealed no changes in the condition of the property. At the time both inspections were completed, all renovations were completed and no signs of deferred maintenance were noted by the appraiser.

Prior to our analysis, we were provided an appraisal completed by another firm and another appraiser. Analysis of that appraisal with a valuation dated December 2011 is not possible as

we were not engaged to complete an appraisal review of that report and neither agree nor disagree with the findings of that appraiser or firm. It was provided for information purposes only. That being said, the following general observations are made:

- The prior appraisal completed a retrospective valuation of the property as of December 2011. As such, significantly more dated sale comparables were utilized, dating back to May 2010. Significant market improvement occurred from 2010 throughout 2011 with investor interest picking up and pricing becoming more aggressive.
- Many of sale comparables utilized by Colliers in this report dated June 30, 2012, were from the subject's city of Hoover that transacted in 2012 and are considered to be better indications and directly representative of the increase in demand. That being said, some adjustments were required for the inferior conditions of these comparables.
- The overall market improvement is further highlighted by the sale comparables in the prior report completed by another firm, indicating generally higher capitalization rates than the sale comparables utilized by Colliers in the report with a valuation date June 30, 2012.
- The prior appraisal with a valuation date effective December 2011 utilized a 6.75% capitalization rate but due to the retrospective nature of the analysis, the subject and the rent comparables had not yet achieved the marked improvement in the local market that occurred throughout early 2012 which is reflected in the lower reported NOI.
- Further, the subject had only recently been acquired and was not yet stabilized to the point it had in our analysis effective June 30, 2012.

To address overall market improvement:

According to our inspections and interviews with the on-site leasing staff, there has been significant traffic in the leasing office and the management team was very professional. Further, significant improvement in the property's performance was reported by on-site management. This was verified with the financials which showed the property's performance in 2012 exceeded the budget for the same year, significantly.

- In valuation of assets we analyze the property's market potential from an investor's perspective. The property has not yet achieved its full potential in terms of operations given that the new management has been in place for less than 24 months and completed renovations in that time. From YE 2011 to just six months annualized 2012 operations under new management the property's EGI improved over 17%. Further, the 2012 YTD annualized operations show that the property is even outperforming the 2012 budget.
- In the local market there were a number of assets that were distressed due to the Collins Group foreclosures. This caused many assets in the area to suffer from deferred maintenance issues and leasing issues. As such, it put downward pressure on market rents and occupancies and created a short-term stigma in the local area for assets being 'run down' and achievable low rents from a tenant's perspective. Since these assets have been in receivership and/or many have sold to investors like Landmark, that have acquired and subsequently renovated or cured deferred maintenance issues, that short lived stigma is fading. The same external factors that caused deterioration of the local market at play in its recovery. We have appraised several assets in the local market and all are experiencing significant increases in rents while being able to maintain higher occupancies and reduced concessions. Further, no significant increases in operational expenses are required to facilitate the increases – in fact, many properties have

experienced reductions in their overall repairs and maintenance expenses as a result of recent significant capital expenditures. This results an increase in NOI that is very well supported by market evidence and despite the property's historical data, an investor would consider the upside potential as the market recovers further.

- Additionally, in the recent past the number of distressed assets in the market temporarily put downward pressure on prices per unit and upward pressure on cap rates. However, as the number of distressed assets in the market has decreased through acquisition and/or receivership in-place, the overall market has benefited from some of the same cap rate compression seen nationwide and higher prices per unit have been achieved.
- Although the 2012 YTD operations report marked improvement in operations, further improvement is anticipated as the property stabilized and benefits from new, efficient management in-place and the recently completed renovations.

A Sensitivity Analysis is provided below:

SENSITIVITY ANALYSIS				
Direct Capitalization				
	Concluded	+25 Bps	-25 Bps	Variance
Capitalization Rates	6.75%	7.00%	6.50%	50 Bps
Concluded NOI	\$4,897,089	\$72,500,000	\$70,000,000	\$75,300,000
				\$5,300,000
Sales Comparison				
Unadjusted Price Per Unit Analysis				
	Low	High	Average	Variance
\$/Unit	\$60,363	\$83,333	\$70,312	\$22,970
Indicated Value	\$65,200,000	\$90,000,000	\$75,900,000	\$24,800,000
Adjusted Price Per Unit Analysis				
	Low	High	Average	Variance
\$/Unit	\$65,469	\$70,235	\$67,410	\$4,766
Indicated Value	\$70,700,000	\$75,900,000	\$72,800,000	\$5,200,000
Reconciliation				
	High	Low	Variance	Concluded
Value By Income Approach	\$75,300,000	\$70,000,000	\$5,300,000	\$72,500,000
Value By Sales Approach	\$75,900,000	\$70,700,000	\$5,200,000	\$71,300,000
Concluded Overall Value				\$72,000,000

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. CIVAS is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by CIVAS or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS, by a party satisfactory to CIVAS. CIVAS does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide CIVAS with an Indemnification Agreement and/or Non-Reliance letter.



CIVAS hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

In this case, the client has consent to utilize the report, in its entirety only, in conjunction with the financial statements.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon our interpretation of the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The report is intended to conform to the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) standards, Fannie Mae standards, and the appraisal guidelines of Landmark Residential.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. *USPAP* defines a Hypothetical Condition as, "that which is contrary to what exists but is supposed for the purpose of analysis."

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinion of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as this use might have affected the assignment results.

Extraordinary Assumptions – We assume that the remaining (non-inspected) units are in similar condition to those inspected unless otherwise noted.

Jefferson County, Alabama has recently filed for Chapter 9 bankruptcy, potentially resulting in a change in the County's current bond or debt rating. This could have an impact on municipal services (utilities, police, schools, roads, etc.) and/or the cost related, possibly increasing utility cost and/or property taxes. In addition, this could have an impact on property values related to lower service levels, higher service costs, availability of debt, and/or perceived market risk. Within the report (income analysis), we present interviews of various market participants to quantify the current perceived impact. However, since the effects of this event are not fully known as of the effective date of this assignment, the analysis and our opinion of value may not fully reflect the potential impact on value.

We inspected the property several times from March 2012 to August 2012. At the client's request the valuation date has been determined to be June 30, 2012. Following a review of the financials, market data and many inspections of the property it is reasonable to assume that the property condition as of August 7, 2012 was consistent with the property's condition and operations as of June 30, 2012. We assume this accurate.

Hypothetical Conditions – None



The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment resulted in credible opinion of market value for the subject given the scope, intended use and intended users of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

**Colliers International
Valuation & Advisory Services**

A handwritten signature in blue ink, reading "Amanda G. Cooper".

Amanda Cooper
Valuation Specialist – Multifamily Team Leader
Certified General Real Estate Appraiser
State of Alabama License G01058
727.417.4550
amanda.cooper@colliers.com

A handwritten signature in blue ink, reading "J. P. Gisclair II".

Jerry Gisclair, II, MAI, MRICS
Regional Managing Director – Southern US
Certified General Real Estate Appraiser
State of Alabama License G00798
813.871.8531
jerry.gisclair@colliers.com

TABLE OF CONTENTS

Letter of Transmittal

INTRODUCTION	1
Executive Summary	1
Aerial Photograph	3
Subject Property Photographs	4
Identification of Appraisal Assignment	7
Scope of Work	10

DESCRIPTIONS & EXHIBITS	12
Regional Area Analysis	13
Local Area Analysis	21
Site Description	24
Exhibits	26
Improvement Description	28
Assessment & Tax Information	34
Zoning Analysis	36
Market Analysis	37
Highest & Best Use Analysis	53
As-Vacant	53
As-Improved	54

VALUATION	56
Valuation Methods	56
Sales Comparison Approach	58
Sales Comparable Summation Table	59
Improved Sales Location Map	60
Effective Gross Income Multiplier Method	70
Income Approach	72
Direct Capitalization Method	72
Rent Comparable Location Map	74
Rent Quantitative Adjustment Grid	80
Historical Income and Expenses Table	89
Expense Comparables Table	90
Direct Capitalization Summation Table	99
Analysis of Value Conclusions	100
Insurable Replacement Cost Estimate	101
Certificate of Appraisal	102
Assumptions and Limiting Conditions	104

ADDENDA	
Engagement Letter	
Operating Statements	
Subject Data	
Valuation Glossary	
Qualifications of Appraisers	
Qualifications of Colliers International Valuation & Advisory Services	

EXECUTIVE SUMMARY

GENERAL INFORMATION

Name: Landmark at Magnolia Glen
Property Type: Multi-Family (Garden/Low Rise)
Address: 2135 Centennial Drive
 Hoover, Alabama 35216
Assessor's Parcel #: 40 00 18 3 000 001.000 and 40 00 18 4 000 005.000
Property Rights Appraised: The fee simple interest.

PROPERTY DESCRIPTION

Site Description:

PARCEL	LAND AREA							
	USABLE AREA		EXCESS AREA		SURPLUS AREA		GROSS AREA	
	SF	ACRES	SF	ACRES	SF	ACRES	SF	ACRES
Phase I	3,324,000	76.31	0	0.00	0	0.00	3,324,000	76.31
Phase II	1,027,145	23.58	0	0.00	0	0.00	1,027,145	23.58
Total	4,351,145	99.89	0	0.00	0	0.00	4,351,145	99.89

*Please note that we utilized the site size provided on the site survey

Zoning: Multifamily (R-4)
Flood Zone: Zone X

Improvement Description:

No. of Total Buildings: 78 (72 residential buildings, 2 clubhouse/leasing offices – one of which is used as storage – 3 pool house buildings with bathrooms and 1 maintenance building)
Year Built: 1985-1996, Renovated in 2011/2012
Number of Units: 1,080
Unit Mix:

Unit Types	No. Units	Size (SF)	Total (SF)
0BR/1BA	20	390	7,800
0BR/1BA	118	512	60,416
1BR/1BA	80	720	57,600
1BR/1BA	80	780	62,400
1BR/1.5BA	80	1,064	85,120
1BR/1.5BA	30	1,180	35,400
1BR/2BA	12	1,313	15,756
2BR/2BA	80	1,075	86,000
2BR/2BA	41	1,100	45,100
2BR/2BA	82	1,304	106,928
2BR/2BA	159	1,315	209,085
2BR/2BA	100	1,360	136,000
2BR/2BA	30	1,435	43,050
2BR/2BA	42	1,521	63,882
3BR/2BA	126	1,521	191,646
Unit Total/Avg.	1080	1,117	1,206,183
Residential Buildings Common Area			84,433
Primary Clubhouse/Leasing Office			6,500
Additional Clubhouse/Leasing Office			2,500
Pool House Buildings (3)			1,500
Maintenance Building			2,000
Gross Building Area			1,303,116

EXECUTIVE SUMMARY (CONTINUED)

*Building areas for the non-residential buildings were estimated by the appraiser as Public Records did not list sizes and building plans were not provided.

Quality: Average
Condition: Good for the area and vintage
Remaining Life: 30 Years
Occupancy: 92.3%
Project Amenities: Clubhouse with wi-fi, billiards, media room, tennis courts (3), pools (4), sport courts, playground, sand volleyball, bark park, 2 laundry centers, and fitness center with sauna.

Highest & Best Use:

As-Vacant: Develop with multifamily apartments
As-Improved: Continued multifamily use

VALUATION SUMMARY

Average Rent/Unit: \$734/Month
Potential Gross Income: \$10,910,672
Total Income Loss: 12% (Stabilized)
Effective Gross Income: \$9,761,878
Total Expenses: \$4,864,789
Net Operating Income: \$4,897,089
Capitalization Rate: 6.75%

Exposure Time: Six Months or Less

VALUE CONCLUSIONS			
Cost Approach			Not Presented
Sales Comparison Approach			\$71,000,000
Income Approach			\$72,500,000
VALUE SCENARIOS	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Fee Simple	June 30, 2012	\$72,000,000

The preceding table provides the opinions of market value that were developed for this appraisal assignment. At the request of the client, we have also included an estimate of the Insurable Replacement cost.

AERIAL PHOTOGRAPHS



SUBJECT PROPERTY PHOTOGRAPHS



Exterior - Typical Phase I Buildings



Exterior - Studio Unit Buildings



Exterior - Typical Phase II Buildings



Exterior - Typical Phase II Buildings



Clubhouse/leasing office



Pool and sun deck



Billiards area



Clubhouse Interior



Tennis Courts



Typical Kitchen (Phase I)



Typical Kitchen (Phase I Studio Unit)



Typical Kitchen (Phase II)



Typical bathroom (Phase I)



Typical bathroom (Phase I)



Typical bathroom (Phase II)



Typical Dining Room (Phase I)



Typical bedroom



Street scene, viewing west on Lorna Rd

IDENTIFICATION OF APPRAISAL ASSIGNMENT

Property Identification

The subject is a 1,080-unit Multi-Family (Garden/Low Rise) complex located on a 99.89-acre site at 2135 Centennial Drive in Hoover, Alabama. The assessor's parcel numbers are: 40 00 18 3 000 001.000 and 40 00 18 4 000 005.000.

Although requested, a title commitment was not provided for our review.

Client Identification

Client as defined by The Dictionary of Real Estate Appraisal (Appraisal Institute, 2010) is "the party or parties who engage an appraiser (by employment or contract) in a specific assignment." The client of this specific assignment is Landmark Residential.

Purpose

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest.

Intended Use & Users of Appraisal

The intended use of this appraisal is to assist the client, Landmark Residential with asset valuation for financial statement reporting purposes.

Date of Report

Date of Report:

August 22, 2012

Personal Property

No personal property or intangible items are included in this valuation. Removable fixtures such as the kitchen appliances and hot water heaters are considered to be real estate fixtures that are essential to the use and operation of the complex. Supplemental income typically obtained in the operation of an apartment complex is included; which may include minor elements of personal and business property. As immaterial components, no attempt is made to segregate these items.

Property and Sales History

If available in the normal course of business, analysis is required for all agreements of sale, options, and listings of the subject property current as of the effective date of appraisal and all sales of the subject that occurred within the three years prior to the effective date of appraisal.

Current Owner - The subject title is currently recorded in the name of Landmark Grand at Galleria, LLC, which acquired title to the property in February 2011 for \$44,650,000. This transaction is recorded in OR Book 201102, Page 1982 of the Jefferson County Deed Records. Despite nearly \$6.8M in renovations completed by the prior owner (GE Capital), following acquisition by the current owner, another \$3.6M renovations was started almost immediately.

Three-Year Sales History – An additional transaction was recorded in January 2009. This was a foreclosure situation in which GE took title to the property from its previous owner, the Collins Group. This foreclosure transaction was not arm's length and was recorded in OR Book 200901, Page 7930. No additional transactions have been recorded in the past three years.

Subject Sale Status – To the best of our knowledge, the subject is not currently listed for or subject to an agreement of sale.

Exposure Time

Exposure time is defined as "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market" (The Dictionary of Real Estate Appraisal, Appraisal Institute, 2010). Reasonable exposure time is impacted by the aggressiveness and effectiveness of a property's exposure to market participants, availability and cost of financing, and demand for similar investments. Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys.

The following information was taken into consideration to develop an estimate of marketing time for the subject property:

MARKETING TIME						
Source	Date	Range			Avg (Mos)	
Broker Interviews						
Greg Wilson, Colliers International	2Q2012	0.0	-	4.0	2.0	
Jamie May, M&M	4Q2011	0.0	-	3.0	2.0	
Steve Ankenbrandt, Rock Apartment Advisors	1Q2012	0.0	-	3.0	2.0	
Jimmy Adams, Southeast Apartment Partners	2Q2012	0.0	-	4.0	2.0	
Korpazc	2Q2012					
National Apartment		0.0	-	18.0	5.6	
Source: Various, compiled by CIVAS						

Although exposure time for each of the comparables was not reported, conversations with market participants, indicated several properties transacting that were not even on the market and others with marketing periods of less than one month to three to six months, depending on the characteristics of the property. Stabilized assets that are priced at market-oriented levels in growth areas or good submarkets generally move quickly.

Greg Wilson reported that it appears B & C deals are on the market 90 to 150 days and that with the velocity picking up, that time frame is coming down.

Jimmy Adams of Southeast Apartment Partners in Birmingham stated "Things are faster than ever before these days. I could get 10 offers in 60 days. Close it 60 days later." Any faster and he reported a discount to the market value would be applied at a rate of at least 25%.

Steve Ankenbrandt of Rock Apartment Advisors in Birmingham stated two months to fully market to get to contract, with another two to three months additional to close.

Marketing Time Conclusion - The preceding information generally supports an marketing time range from 0 to 6 months for Multi-Family (Garden/Low Rise) properties. The subject property is of average quality and is in good condition. Additionally, it has average access and average exposure and a good location within a strong performing submarket in the Birmingham metro area. Based on its overall physical and locational characteristics and associated achievable rent levels, the subject has an average to good overall appeal to investors. Considering these factors, a reasonable estimate of marketing time for the subject property is six months or less.

DEFINITIONS

This section summarizes the definitions of value, property rights appraised, and value scenarios that are applicable for this appraisal assignment. All other applicable definitions for this assignment are located in the Valuation Glossary section of the Addenda.

Definitions of Value

Given the scope and intended use of this assignment, the following definition of value **is** applicable:

Market Value - The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming that the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

Property Rights Appraised

The property rights appraised constitute the fee simple interest.

Fee Simple Estate - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.²

Value Scenarios

As-Is Value - The estimate of the value of real property in its current physical condition, use, and zoning as of the appraisal date.³

¹ Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C - Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the RTC, FDIC, FRS and NCUA definitions of market value.

² The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010

³ The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010

SCOPE OF WORK

The appraisal development and reporting processes requires gathering and analyzing information about those assignment elements necessary to properly identify the appraisal problem to be solved. The scope of work decision must include the research and analyses that are necessary to develop credible assignment results given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed. The scope of work for this appraisal assignment is outlined below:

- The appraisers analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends. The local area was further studied to assess the general quality and condition, and emerging development trends for the real estate market. The immediate market area was inspected and examined to consider external influences on the subject.
- The appraisers confirmed and analyzed legal and physical features of the subject property including sizes of the site and improvements, flood plain data, zoning, easements and encumbrances, access and exposure of the site, and construction materials and condition of the improvements. This process also included estimating the remaining economic life of the improvements, a process to identify deferred maintenance and a conclusion of the subject's overall functional utility.
- The appraisers completed an apartment market analysis that included market and sub-market overviews. The Birmingham market and South sub-market overviews analyzed supply/demand conditions using vacancy, absorption, supply change and rental rate statistics. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- The appraisers conducted Highest and Best Use analysis and conclusions were drawn for the highest and best use of the subject property As-Vacant and As-Improved. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject property. Development of the Highest and Best Use As-Improved explored potential alternative treatments of the property including demolition, expansion, renovation, conversion, and continued use "as-is."
- The appraisers confirmed and analyzed financial features of the subject property including historical and budgeted income/expense data, the rent roll and tax and assessment records. This information as well as trends established by confirmed market indicators was used to forecast performance of the subject property. **It should be noted that because the property was previously in a foreclosure situation there is limited historical operating information.**
- In order to select the appropriate valuation methodology, the appraisers considered the scope requirements and assessed the applicability of each traditional approach to value given the characteristics of the subject property and the intended use of the appraisal. As a result, this appraisal developed the Income (Direct Capitalization) and Sales Comparison (Per Unit and EGIM methods), approaches to value. The resulting value indicators were reconciled within the Analysis of Value Conclusions section. The appraisal develops an opinion of the As-Is Market Value Market Value of the subject property's fee simple interest. The reasoning for including or excluding traditional approaches to value is developed within the Valuation Methodology section.
- Preparation of this appraisal in a Self Contained format as indicated in USPAP Standard 2.
- We are aware of the Competency Rule of USPAP and the authors of this report meet the standards.

Sources of Information

The following sources were contacted to obtain relevant information:

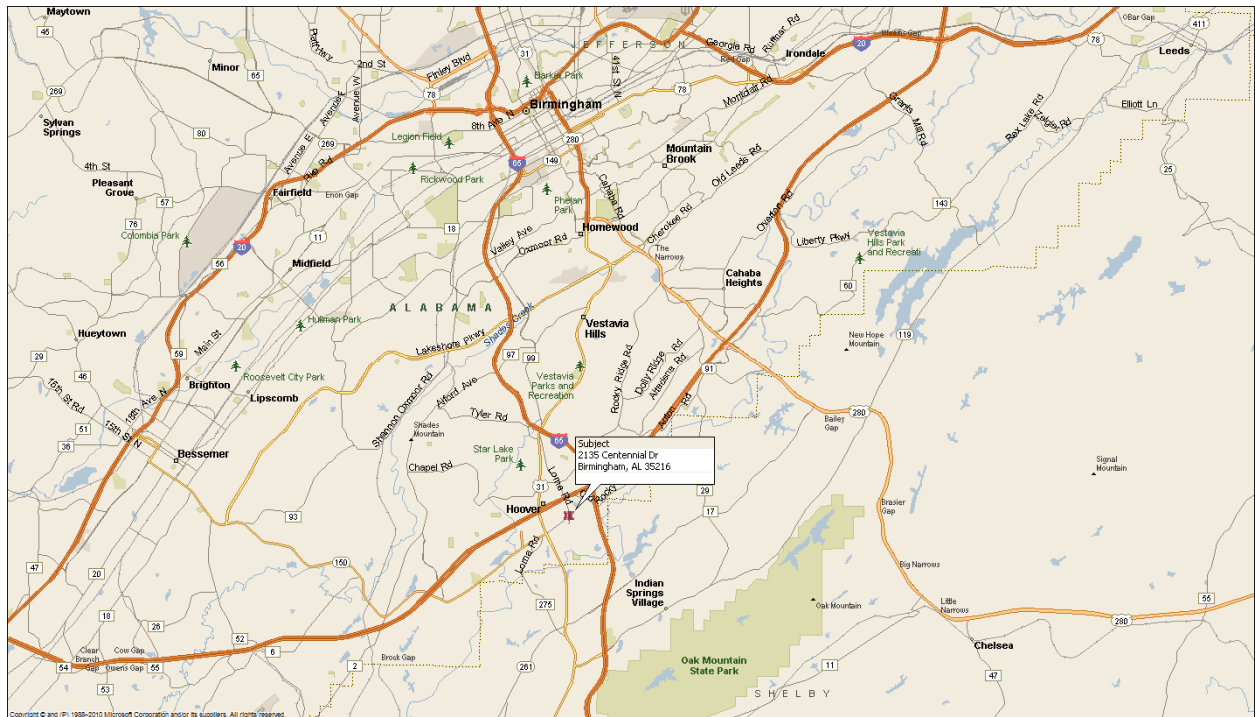
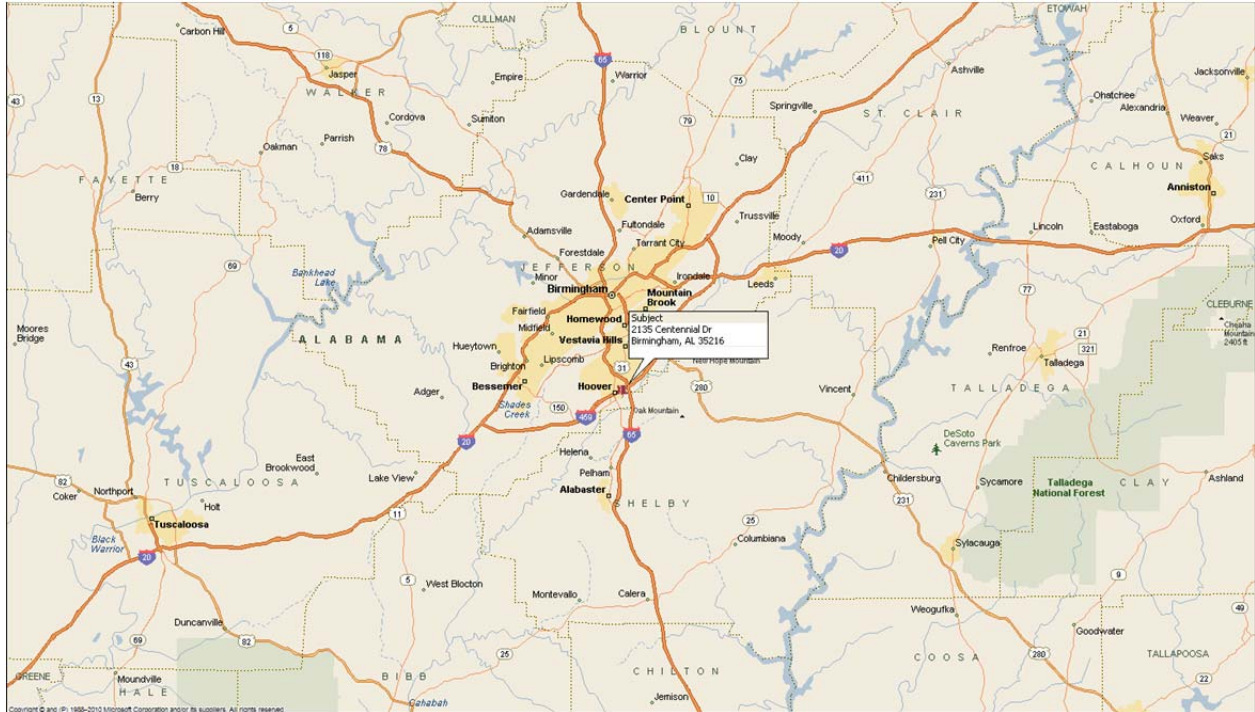
SOURCES OF INFORMATION	
ITEM	SOURCE
Tax Information	Jefferson County Tax Assessor
Zoning Information	City of Hoover
Site Size Information	Survey prepared by Reynolds Surveying , Dated November 23, 2010
Building Size Information	Rent Roll, Survey, Public Records
New Construction	Rick Stallins in the City of Hoover Planning Department and Reis, Inc.
Flood Map	STDB On-line
Demographics	STDB On-line
Comparable Information	See Comparable Datasheets for details
Legal Description	Jefferson County Tax Assessor, Survey
Other Property Data	Various, cited throughout the report
Rent Roll	Landmark Residential
Income/Expense Statements	Landmark Residential
Market Conditions	Hope Atwood, Regional Manager, Arlington Properties
Market Conditions	Blake Okland, Apartment Realty Advisors
Market Conditions	Jamie May, Marcus & Millichap
Market Conditions	Greg Wilson, Colliers International
Market Conditions	Darron Kattan, Franklin Street Real Estate Services
Market Conditions	Bo Brown, Brown Realty Advisors - Alabama
Market Conditions	Jimmy Adams, Southeast Apartment Advisors - Alabama
Market Conditions	Steve Ankenbrandt, Rock Advisors - Alabama

Subject Property Inspection

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Amanda Cooper	Yes	Exterior/Interior	August 7, 2012
Jerry Gisclair, II, MAI, MRICS	No	-	-

It is our understanding that the remaining (non-inspected) units are in similar condition to those inspected. We inspected at least one of each unit type as well as the common areas.

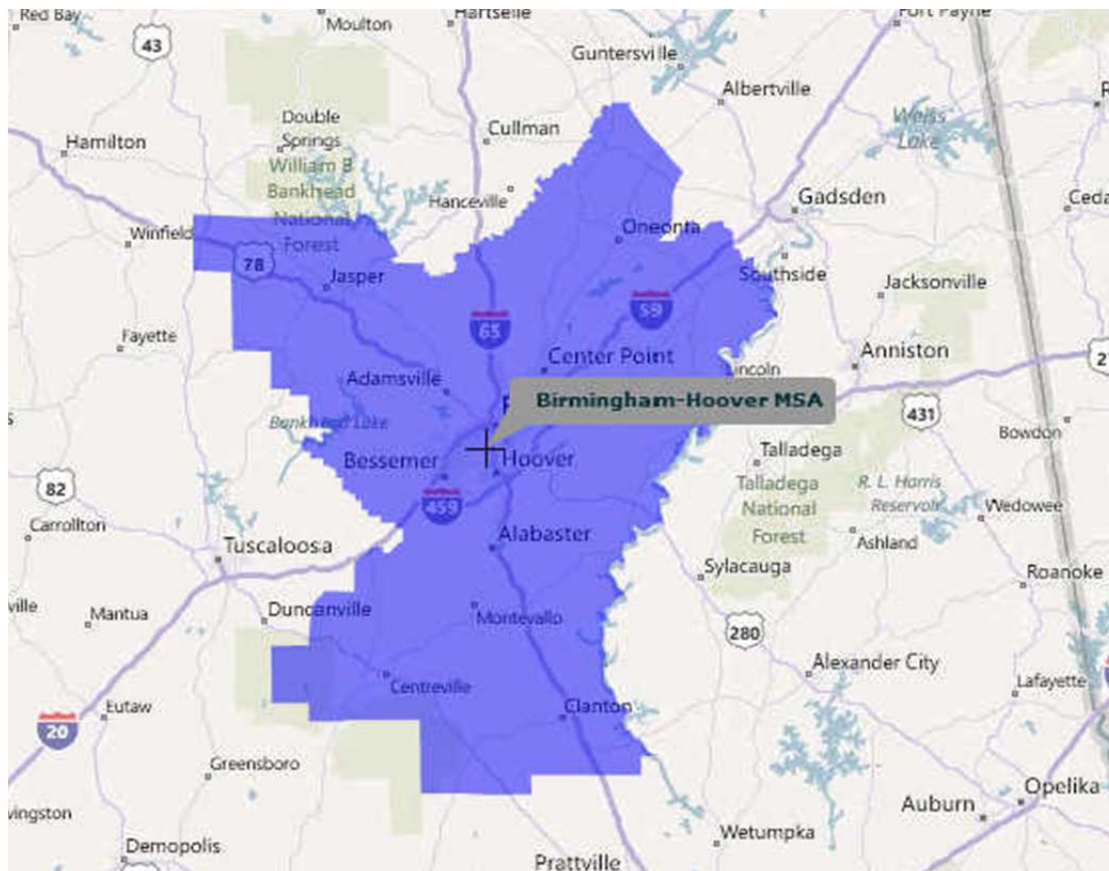
REGIONAL MAPS



REGIONAL AREA ANALYSIS

The Birmingham-Hoover MSA consists of seven counties: Bibb, Blount, Chilton, Jefferson, St. Clair, Shelby and Walker. The following overview examines the Birmingham-Hoover MSA in comparison to the state of Alabama and the United States.

The map below illustrates the boundaries of the Birmingham-Hoover MSA.



Government

Each incorporated city within the Birmingham-Hoover MSA. However, a current hot-button issue is the Jefferson County Chapter 9 Bankruptcy filing. The total amount of the filing is \$4.23 billion according to an article in the Birmingham Business Journal. This filing makes it the largest municipal bankruptcy filing in US history. Of the total, there is \$3.186 billion in outstanding principal for the County's sewer warranted. TekLinks, Inc., Brice Building Co., The City of Hoover and the University of Alabama Health System are among the long list of 5,679 creditors. The County is reporting a -\$9.1 million cash flow at the end of September 2012.

According to an article in Bloomberg Business Week, dated November 11, 2011, "The slide to bankruptcy began in 1996, when the county was forced to rebuild its sewer system after pollution was found spewing into rivers. Risky derivative financing for the project backfired beginning in early 2008, leading the county to become one of the biggest casualties of Wall Street's credit crisis."

The incorporated cities within the MSA have reported that they are a separate entity. The Mayor of Birmingham, William Bell, reported that Birmingham's "financial status is very sound. We have more than enough money to carry out our day-to-day operations." The City of Birmingham has Moody's third highest bond rating at Aa2. This is in stark contrast to the rating for Jefferson County at Caa1, 14 levels below the City of Birmingham's and below investment grade.

The true impact of the County's filing on the metro is not known as it is too early to tell. It will undoubtedly result in a change in the County's current bond or debt rating. It could also have an impact on municipal services (utilities, police, schools, roads, etc.) and/or the cost related, possibly increasing utility cost and/or property taxes. In addition, this could have an impact on property values related to lower service levels, higher service costs, availability of debt, and/or perceived market risk.

An article in The Bond Buyer, dated November 15, 2011 reported that Moodys & Standard and Poor's are reviewing the County's ratings. "Municipal bankruptcy law treats the various classes of debt differently, influencing default risk and potential losses, according to Moody's senior analyst Christopher Coviello. "The bankruptcy filing is credit negative, given the uncertainty it creates for bondholders and the potential disruption of debt service payments," he noted. "On Friday, Moody's began reviewing all of Jefferson County's ratings for possible downgrade in light of the bankruptcy filing.... The action applies to the Caa3 rating on the sewer revenue warrants, the Caa1 rating on GO warrants, and the Caa2 on \$83.64 million of lease-revenue warrants.... Standard & Poor's also took action Friday, dropping the school warrants five notches to B from BBB-minus. Standard & Poor's currently has a C rating on the sewer warrants.... The agency lowered the GO warrants to C from B, the lease-revenue warrants to C from B-minus, and downgraded to C from B the Series 2000 limited-obligation school warrants secured by lease payments from the Jefferson County Board of Education."

Population

The Birmingham-Hoover MSA is a mostly stable market. The following statistics are available through the U.S. Census Bureau. Projections are based upon the 2000 census, and are applied to an urban growth simulation model. Historical and projected population statistics for the area are summarized as follows:

AREA POPULATION STATISTICS					
Area	2000	2010	Annual % Change	2015	Annual % Change
City of Hoover	62,742	70,951	1.31%	74,326	1.0%
Jefferson County	662,047	662,628	0.01%	659,713	-0.1%
Birmingham-Hoover MSA	1,052,238	1,133,874	0.78%	1,172,302	0.7%
State of Alabama	4,447,100	4,735,593	0.65%	4,877,925	0.6%
Source: STDB					

The preceding statistics reflect continued moderate increases in total population in the regional area as a whole. By the year 2015, the population of the MSA is expected to increase an average of 0.70% per year, slightly outpacing the State as a whole.

Employment Characteristics

Outlined in the following table, are details of the labor force and unemployment rate that have occurred in the Birmingham-Hoover MSA between 2009 (annual totals) and September 2011.

REGIONAL AREA ANALYSIS (CONTINUED)

EMPLOYMENT BY INDUSTRY - BIRMINGHAM-HOOVER MSA						
Industry	2009	% of Total	2010	% of Total	Sept-2011	% of Total
Total Non-Farm	497,700		489,500		489,400	
Natural Resources and Mining	2,800	0.61%	2,900	0.59%	3,100	0.63%
Construction	26,800	5.84%	24,300	4.96%	23,900	4.88%
Manufacturing	36,700	8.00%	34,800	7.11%	35,700	7.29%
Trade, Transportation, & Utilities	107,300	23.40%	105,400	21.53%	106,600	21.78%
Information	10,100	2.20%	9,500	1.94%	8,800	1.80%
Financial Activities	38,200	8.33%	36,900	7.54%	37,400	7.64%
Professional and Business Services	60,000	13.08%	59,600	12.17%	58,200	11.89%
Education and Health Services	64,800	14.13%	65,900	13.46%	66,600	13.61%
Leisure and Hospitality	4,300	0.94%	42,500	8.68%	42,800	8.75%
Other Services	23,800	5.19%	23,700	4.84%	23,400	4.78%
Government	83,800	18.27%	84,100	17.18%	82,900	16.94%
Total Non-agricultural Employment	458,600	100%	489,600	100%	489,400	100%
Total Civilian Labor Force	528,877	100.0%	516,227	100.0%	524,000	100.0%
Total Employment	481,100	90.97%	469,816	91.01%	477,300	91.09%
Total Unemployment	47,777	9.0%	46,411	9.0%	46,700	8.9%
MSA Unemployment Rate	Sep 11	8.90%				
Alabama Unemployment Rate	Sep 11	9.80%				
National Unemployment Rate	Oct 11	9.00%				
Source: Bureau of Labor Statistics						

The State of Alabama as a whole is underperforming the nation in terms of unemployment rates. However, the MSA is outperforming the State and nation. The following categories employ the greatest percentage of people in the Birmingham-Hoover MSA: Trade, Transportation & Utilities, Government, and Education and Health Services.

From its founding through the end of the 1960s, Birmingham was a primary industrial center of the South. The pace of Birmingham's growth during the period from 1881 through 1920 earned its nicknames *The Magic City* and *The Pittsburgh of the South*. Much like Pittsburgh, Birmingham's major industries were iron and steel production, plus a major component of the railroading industry, where rails and railroad cars were both manufactured in Birmingham. In the field of railroading, the two primary hubs of railroading in the Deep South were nearby Atlanta and Birmingham, beginning in the 1860s and continuing through to the present day. The economy diversified during the latter half of the twentieth century. Though the manufacturing industry maintains a strong presence in Birmingham, other businesses and industries such as banking, telecommunications, transportation, electrical power transmission, medical care, college education, and insurance have risen in stature. Mining in the Birmingham area is no longer a major industry with the exception of coal mining. Birmingham ranks as one of the most important business centers in the Southeastern US and is also one of the largest banking centers in the US. *Wikipedia*

According to an article in Bloomberg Business Week, the County has been forced to cut jobs in the wake of its financial crisis. They have cut about 450 positions since June, bringing the workforce to 2,687 employees. In addition, the Commission President, David Carrington, reported more cuts coming. "Brian Hilson, president and chief executive officer of the Birmingham Business Alliance, which serves a seven-county area, said he's concerned that employers may be deterred from moving to or expanding in the city."

Government related jobs employ 16.94% of the metro according to the Bureau of Labor Statistics as of September 2011. The University of Alabama at Birmingham is the largest employer in the metro. Several other government related employers including the Jefferson County Board of Education, City of Birmingham are also top employers. Given the uncertainty of the outcome associated with Chapter 9 bankruptcy filings of Jefferson County as well as the ongoing significant budget shortfall, this is

somewhat concerning and will likely cause an increase in unemployment as government sector jobs are cut in an effort to balance the County's budget. This is anticipated to have a negative impact on Jefferson County and surrounding counties in the near and mid-term. That being said, several private sector employers are also located in the MSA and include Regions Bank, AT&T and Honda Manufacturing. An article dated November 4, 2011 in the Birmingham Business Journal cites that "Of the nation's 938 metropolitan and micropolitan statistical areas, the Birmingham-Hoover area ranks 47th for the greatest concentration of large businesses, according to a new report by On Numbers." The metro has 75 large companies that employ 500+ people.

Primary meetings to determine the outcome will not take place until December 2011. As such, it is far too early to tell what the economic impact of Jefferson County bankruptcy will be.

The following is a listing of the area's largest employers:

TOP EMPLOYERS - BIRMINGHAM-HOOVER METRO		
Rank	Company	# of Employees
1	Univ of AL at Birmingham	18,619
2	Regions Bank	6,000
3	AT&T Inc.	5,750
4	Jefferson County Board of Education	4,800
5	St Vincent's Health System	4,662
6	City of Birmingham	4,565
7	Baptist Health Systems	4,410
8	Honda Manufacturing of Alabama	4,000
9	Alabama Power Company	3,811
10	Children's Health System	3,744
11	Shelby County Board of Education	3,625
12	Mercedes Benz, US International	3,500
13	Wells Fargo	3,094
14	Blue Cross Blue Shield of AL	3,000
15	Blanco Bilbooa Vizcaya Argentaria	2,804
16	Univ of Alabama Health Services Foundation	2,800
17	US Postal Service	2,800
18	Brookwood Medical Center	2,600

Source: Birmingham Business Journal 9/2011 [Top 10] and Chamber of Commerce [11-18] (2009)

***Blue Cross and Blue Shields and AT&T have call centers located within a few miles of the subject.**

Income Levels

Following are the reported income levels for the MSA in 2010:

INCOME LEVELS - BIRMINGHAM-HOOVER MSA		
2010	Median HH	Per Capita
City of Hoover	\$69,359	\$39,711
Jefferson County	\$43,338	\$23,909
Birmingham-Hoover MSA	\$45,636	\$24,444
State of Alabama	\$40,616	\$21,150

Source: STDB

The MSA outperforms the State in terms of median household income levels. The City of Hoover significantly outperforms the metro reporting median household income levels nearly 52% higher than the MSA. It is anticipated that income levels in the near term will remain relatively flat with a significant percentage of the population relying on government related jobs that will likely not realize wage increases due to the economic struggles of the County and the trickle-down impact to the Cities and local governments. This may also have an impact on the private sector employment making jobs more competitive, keeping wages at current levels. We do not anticipate significant declines in wages for private sector related jobs as the impact would be indirect.

Higher Education

Institutions of higher learning are an important part of any major metropolitan area as they serve as both an attraction to bring new residents, but also serve as a way to provide a highly educated workforce. The largest is the University of Alabama with approximately 18,000 students currently enrolled. The next largest is Jackson State University with ±9,500 student enrolled. Institutions of higher learning located within the Birmingham-Hoover MSA are listed in the chart below.

TOP COLLEGES AND UNIVERSITIES -BIRMINGHAM-HOOVER MSA		
Rank	School	# of Students
1	Univ. of AL at Birmingham	18,000
2	Jackson State Univ.	9,500
3	Jefferson State Community College	8,000
4	Univ. of Montevallo	3,000
5	Samford University	2,900
6	Birmingham-Southern College	1,600
7	Birmingham School of Law	450
8	Lawson State Community College	N/A

Source: College/University Websites

Transportation

Air

Birmingham International Airport is the largest and busiest airport in the State of Alabama. It also facilities travel to western Georgia and often travelers utilize this airport as an alternative to Hartsfield-Jackson Airport in Atlanta due to presence of Southwest Airlines and the relative ease of getting in and out of the airport. Following are the airport statistics:

PASSENGER STATISTICS - BIRMINGHAM INT'L AIRPORT		
Date	Total Passengers	Annual % Change
2008	3,111,683	-
2009	2,934,317	-5.70%
2010	2,950,429	0.55%
2011 YTD	2,151,609	-

Source: flybirmingham.com, YTD is through Sept 2011

Public Transit

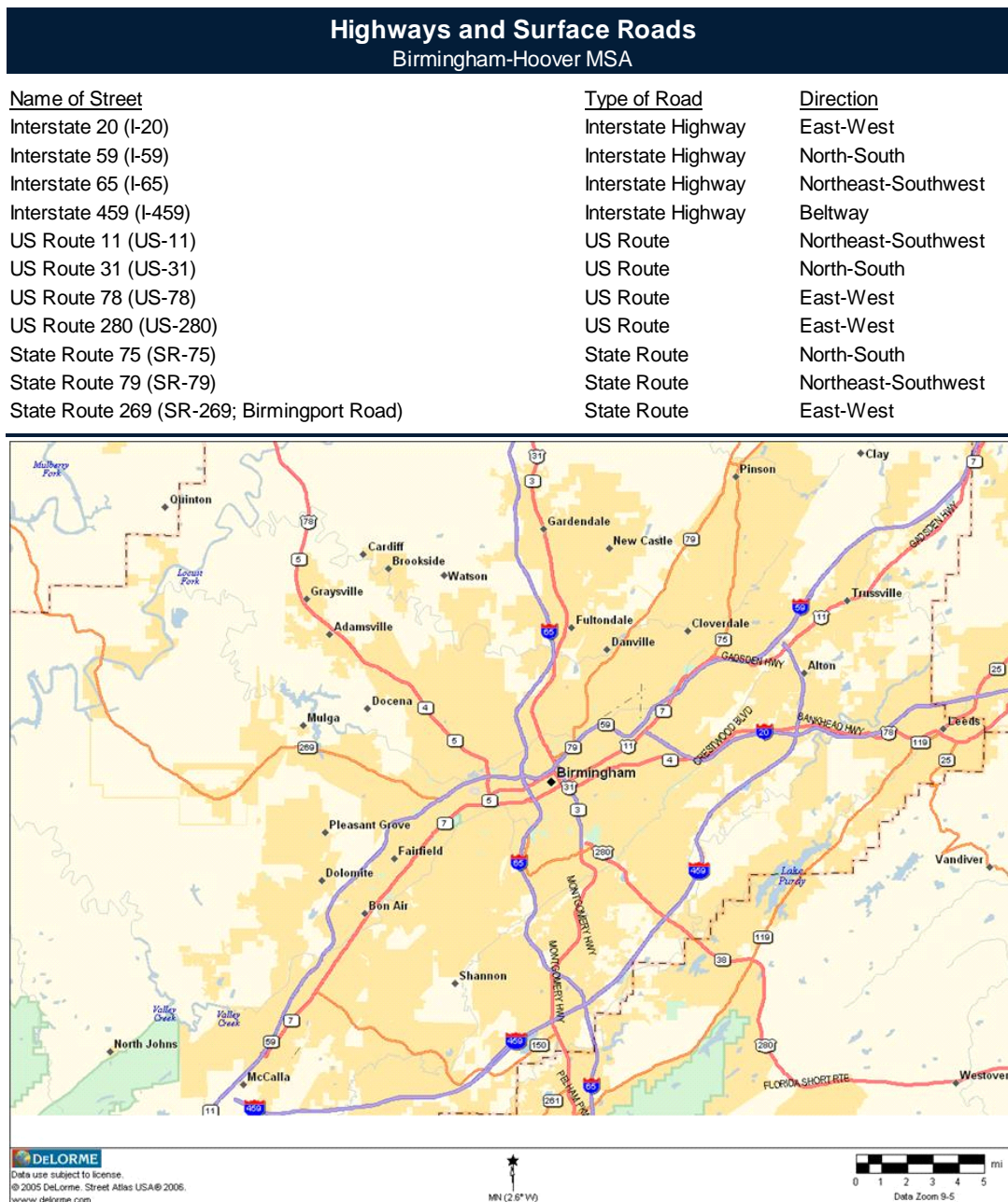
Birmingham is served by the Birmingham-Jefferson County Transit Authority through the Metro Area Express (MAX) bus system.

Rail

Birmingham is served by three major freight railroads. Norfolk Southern, CSX Transportation, and BNSF Railway all have major classification yards in the metro area. Smaller regional railroads such as the Jefferson Western and Birmingham Southern also serve Birmingham's freight customers. Amtrak's Crescent connects Birmingham with the cities of New York, Philadelphia, Baltimore, Washington, Greensboro, Charlotte, Atlanta and New Orleans.

Roads

The map below shows the interstate and state roads within the MSA. Major limited access highways include Interstates I-20, I-59, I-65 and I-459. I-20 is an east-west route connecting Florence, South Carolina on the east coast to Kent, Texas and I-10 in the southwest. I-59 runs from Slidell, Louisiana and I-10 to Wildwood, Georgia, and I-24. I-65 runs from Mobile, Alabama and I-10 to Gary, Indiana and I-90. I-459 is the local beltway in Birmingham, connecting I-59 on the northeast and I-20/I-59 to the southeast. Within the MSA are numerous US Routes (US-11, US-31, US-78, and US-280) and State Routes (SR-75, SR-79, and SR-269).



Culture and Recreation

Birmingham is the cultural and entertainment capital of Alabama with its numerous art galleries in the area. It is the home to Birmingham Museum of Art, the largest art museum in the state. Other museums in the area include Birmingham Civil Rights Institute, the Southern Museum of Flight, Bessemer Hall of History, Sloss Furnaces National Historic Landmark, Alabama Museum of Health Sciences, and the Arlington Home. Birmingham is also home to the state's major ballet, opera, and symphony orchestra companies such as the Alabama Ballet, Alabama Symphony Orchestra, Birmingham Ballet, Birmingham Concert Chorale, and Opera Birmingham.

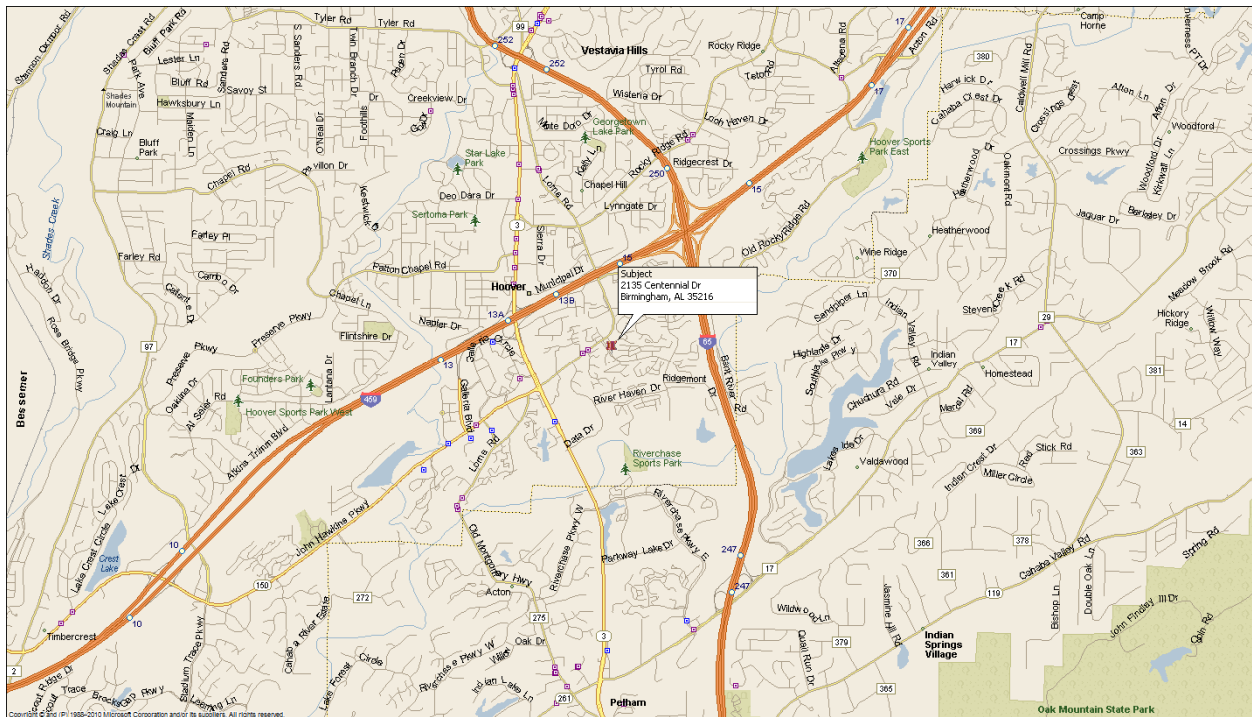
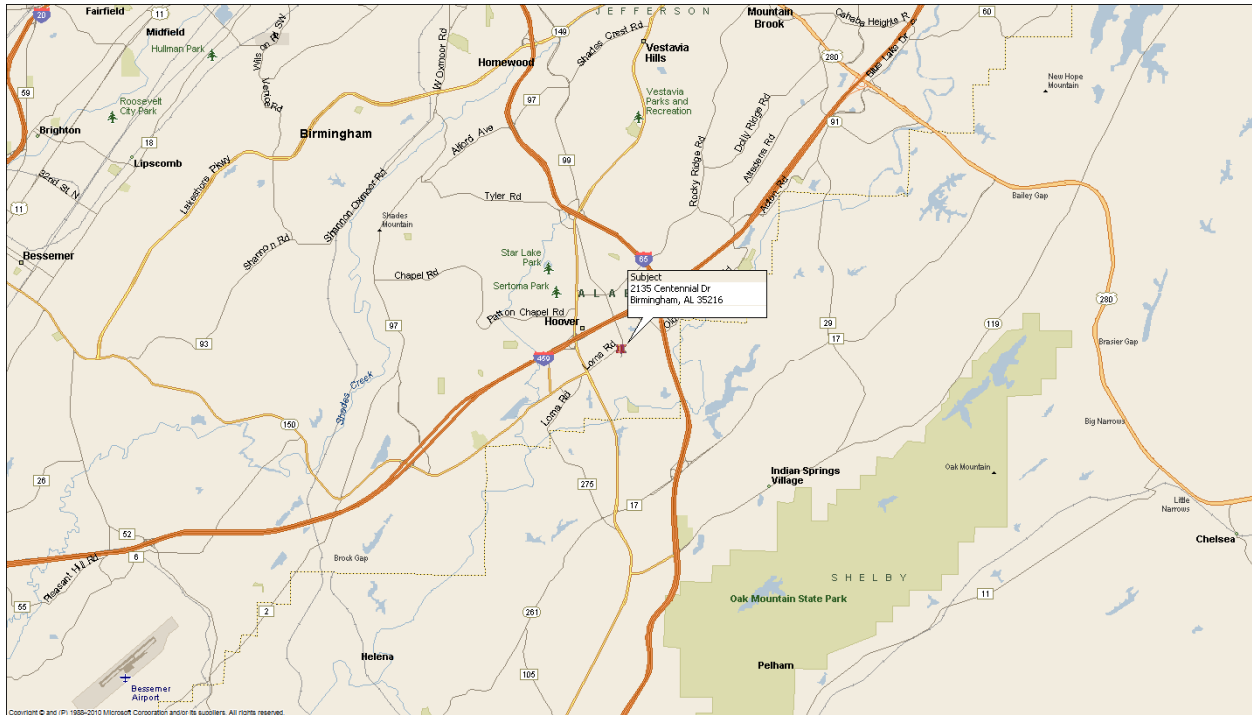
The MSA is home to numerous cultural festivals showcasing music, films, and regional heritage. Sidewalk Moving Picture Festival brings filmmakers from all over the world to Birmingham to have their films viewed and judged. The Taste of 4th Avenue Jazz Festival, presented at the end of September each year, runs concurrent with the Sidewalk Moving Picture Festival. The Birmingham Folk Festival (an annual event), the Southern Heritage Festival, the Schaeffer Eye Center Crawfish Boil, and the annual Greek Festival are also held here.

Birmingham has no major professional sport franchises. The University of Alabama at Birmingham (UAB Blazers) has a basketball and football program. Birmingham is also home to the Birmingham Barons, the AA minor league affiliate of the Chicago White Sox. Motorsports are popular in the Birmingham area and across the state, and the area is home to the Talladega Superspeedway. Barber Motorsports Park also hosts amateur motorsports events throughout the year.

Conclusion

The Birmingham-Hoover MSA is a stable, slow growth market. It has historically struggled due to its reliance on manufacturing related employment centers. However, diversification in the past decade has helped the local economy weather the storm during the recession. The primary strengths of the MSA are its central Alabama location with strong infrastructure, well established research facilities at University of Alabama Birmingham and relatively low cost of living. Weaknesses within the MSA include the fiscal condition in Jefferson County and a less educated work force than other cities in direct competition. The current significant struggle is related to the recent Chapter 9 Bankruptcy filing by Jefferson County, the largest county in the metro in terms of population. The impact of this filing has yet to be seen.

LOCAL AREA MAPS



LOCAL AREA ANALYSIS

General - The subject is situated along the east side of Lorna Road, about ¾ miles east of the I-459/US 31 interchange and about a half mile southwest of the I-65/I-459 interchange. It is also located about 25 minutes drive-time, depending on traffic, south of the Birmingham CBD.

Demographics - The demographics for the subject's local area are provided by Site To Do Business (STDB Online), an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas.

LOCAL AREA DEMOGRAPHICS								
Description	0.5 Mile Radius	1 Mile Radius	3 Mile Radius	Description	0.5 Mile Radius	1 Mile Radius	3 Mile Radius	
Population				Income (current year)				
2015 Population	5,650	9,874	53,967	Average Household Income	\$50,097	\$52,199	\$87,887	
2010 Population	5,663	9,933	53,162	Median Household Income	\$44,073	\$43,524	\$63,350	
2000 Census Population	5,564	9,905	51,699	Per Capita Income	\$22,457	\$23,933	\$37,795	
Change 2010-2015	-0.23%	-0.59%	1.51%	2010 Households by Income				
Change 2000-2010	1.78%	0.28%	2.83%	Household Income Base	2,567	4,570	22,217	
Households				< \$15,000	10.4%	10.4%	5.8%	
2015 Households	2,516	4,500	23,717	\$15,000 - \$24,999	9.6%	9.5%	5.8%	
2010 Households	2,530	4,530	23,284	\$25,000 - \$34,999	14.4%	14.4%	8.7%	
2000 Census Population	2,537	4,565	22,291	\$35,000 - \$49,999	25.2%	25.1%	18.8%	
Change 2010-2015	-0.55%	-0.66%	1.86%	\$50,000 - \$74,999	24.3%	22.5%	20.0%	
Change 2000-2010	-0.28%	-0.77%	4.45%	\$75,000 - \$99,999	11.0%	11.2%	13.4%	
Housing Units (current year)				\$100,000 - \$149,999	3.9%	5.0%	15.6%	
Total Housing Units	3,117	5,424	26,120	\$150,000 - \$199,999	0.8%	1.2%	5.2%	
Owner Occupied	6.70%	13.70%	51.90%	\$200,000 +	0.3%	0.8%	6.7%	
Renter Occupied	74.50%	69.80%	37.20%	Median Home Value				
Vacant Housing Units	18.80%	16.50%	10.90%	2000	\$138,953	\$137,199	\$172,058	
2000 Housing Units by Units in Structure				2010	\$174,510	\$169,286	\$227,117	
Total	2,933	5,204	24,194	2015	\$196,094	\$189,027	\$267,372	
1, Detached	6.5%	12.0%	47.9%	2000 Housing Units by Year Structure Built				
1, Attached	3.3%	4.8%	6.5%	Total	2,989	5,230	24,263	
2	0.6%	0.6%	0.6%	1999 to March 2000	0.0%	0.7%	2.8%	
3 or 4	3.1%	4.3%	4.4%	1995 to 1998	9.7%	10.0%	13.1%	
5 to 9	22.4%	21.3%	12.9%	1990 to 1994	14.6%	14.0%	15.0%	
10 to 19	36.5%	32.3%	15.0%	1980 to 1989	35.6%	31.4%	22.7%	
20+	27.4%	24.5%	12.1%	1970 to 1979	29.7%	29.7%	26.6%	
Mobile Home	0.1%	0.2%	0.5%	1969 or Earlier	10.5%	14.2%	19.8%	
Other	0.0%	0.0%	0.0%	Median Year Structure Built	1983	1982	1982	

Source: STDB Online

As is shown above, the subject is located in a relatively stable area with very modest growth occurring from 2000 to 2010 and a slight decline in population and households projected for the period from 2010 to 2015. This is not uncommon in a built-out area like the subject's.

The median household income within a one-mile radius is in-line with the metro but relatively low for the City of Hoover at \$43,524. The City of Hoover shows a median household income of \$69,359. The per capita income is \$23,933, nearly half of the City Hoover's at \$39,711. The subject's area is established, most of the growth is occurring north and west which tend to have higher costs of living and thus higher income demographic profiles. Given the affordability of housing in the area, the typical renter household is one that earns less than \$50,000 per year. On a one-mile radius, there are almost 60% of the households that fall into this category. As a general rule, to qualify for rental housing, a tenant must earn three times

the rental rate on a monthly basis. Based on the average concluded market rental rates, of \$742, tenant or household must earn about \$26,699. About 39.5%, or 1,805 households, within a one mile radius earn between \$25,000 and \$49,999 per years (figures for households that earn from \$26,699 to \$49,999 were not available.) As such, there appears to be an adequate income-qualified household base for the property to pull from. This is consistent with management's reports that finding income qualified people has not been challenging.

Residential Development – The immediate area is established and there has not been much new residential development. However, redevelopment of existing properties has been prevalent. It is a trend in the area due to an ownership group, The Collins Group, that owned over 2,000 units in the submarket, most of which were located in the immediate area, and all of these units went through the foreclosure process with GE (the lender) forced to put a receiver in-place. As a result, several of the properties in the immediate area suffer from deferred maintenance and poor management issues (as did the subject prior to acquisition). For the properties that have already transitioned to new ownership, this has provided Value Add opportunities for investors, like the owner of the subject property, to renovate and bring the properties back to stabilized operations.

Most of the housing units were constructed from 1970 to 1989. Housing units that fall into these categories make up 61% of the supply on a one-mile radius. Only 10.7% of the units were built from, 1995 to 2000. The median year built is 1982. On a one-mile radius there are a total of 5,424 housing units in the current year. Renter households dominate on a half and mile radius at 74.50% and 69.80% of the households, respectively. Owner occupied housing units become more prevalent on a three-mile radius at 51.90% of the total. Vacant housing units make up 16.50% of the total on a one-mile radius, the situation involving the Collin's Group is a significant contributor to the vacant units. Detached single-family uses comprise a significant portion of the development present in the subject's neighborhood. Most of these homes are in average condition for their age. The median home value within a one mile radius is about \$169,286. Significant large-scale multi-family development is also present with only 24.50% of the total housing unit representing structures with greater than 20 units. About 53.6% of the housing units have between 5 and 19 units. There does not appear to be a substantial single family residence rental market that would compete with the subject.

Commercial Development – US 31, locally known as Montgomery Highway, is the primary commercial corridor in the area. The focal point of this corridor is Riverchase Galleria, which is located on the southwest corner of the I-495/US 31 interchange. This two-story enclosed mall is anchored by Sears, Macy's JC Penney's, and Belk. Riverchase Galleria is located about a mile west of the subject. There are several big box anchored shopping centers orbiting the mall. Freestanding retail includes both full service, quick service and fast food restaurants, gas stations, pharmacies, hotels, automotive retailers (oil change, brake, muffler, etc.), and other specialty retailers. Lorna Road, on which the subject is located, is a secondary commercial corridor in the market. To the west of the subject near its intersection with Montgomery Highway are several shopping centers with anchors, junior anchors, and a national and local tenant mix. To the north of the subject on Lorna Road, north of I-459, are some older shopping centers including Riverchase Square and The Village on Lorna Shopping Center. These are tenanted by local and second tier tenants. Office properties are spread along this corridor as well. Hoover Business Park is located east of the subject and AT&T and Blue Cross and Blue Shields both have call centers within a mile. According to management, these retail centers and office uses are employment centers for tenants at the subject property. Several tenants were reported to work at Blue Cross and Blue Shields, AT&T, Target Supercenter, Galleria Mall and Wal-Mart Supercenter.

West of the subject is a new retail development called Patton Creek. It opened in 2004 and contains 600,000 square feet situated on 80 acres with additional room to expand. The various components of this development include a "Main Street" element which offers parking in front of each store, wide sidewalks, decorative architectural features, and enhanced landscaping. This is combined with a traditional power center including tenants such as Dick's Sporting Goods, Rave Motion Pictures, Ross, World Market, DSW and Barnes & Noble; with an eclectic mix of restaurants.

Community Services/Transportation - Community services and facilities are readily available in the surrounding area. These include public services such as fire stations, hospitals, police stations, and schools (all ages). The Hoover Recreational Center and the Hoover Public Library are located in the immediate area. Public transportation is available throughout the area as the Birmingham – Jefferson County Transit Authority has a route that runs along Lorna Road. There are also a number of parks, golf courses, and other recreational facilities in the area as well

Children at the subject property attend schools in the City of Hoover school district (Phase I), a well ranked school district in Alabama. The following public schools are available for tenants: Rocky Ridge Elementary, Barry Middle School and Spain Park High School. Phase II is located within the City of Birmingham school district, a drastically inferior school system. As such, most tenants with school aged children prefer Phase I units which comprise over 85% of the total property.

Summary - The subject property is located along a secondary corridor on the south side of Hoover near the Jefferson County border. Residential uses present in the subject's immediate area include detached single-family homes and apartment complexes, though with 70% of the units in the one-mile radius being rentals, there are many more apartments in the immediate area. Commercial developments are located along major thoroughfares with Riverchase Galleria being the focal point of the US 31 corridor. The subject property has a good location with respect to commercial services, thoroughfares, public transportation, and community services. Overall the condition and appeal of the area is generally good. Growth is physically restricted by the lack of undeveloped sites. New projects will be accomplished by redevelopment of under-improved properties. Demand is anticipated to remain for close-in properties. The area appears to be in revitalization stage of its lifecycle with several properties experiencing redevelopment and limited vacant land available for new development. After the real estate market begins to recover from the national recession, property values are expected to appreciate, albeit at a stable (slow) rate in the subject's immediate neighborhood.

SITE DESCRIPTION

Introduction: The subject site consists of two non-contiguous parcels separated by Veona Daniels Road. Although the site is located off of Lorna Road. The following table summarizes the subject site size.

PARCEL	LAND AREA							
	USABLE AREA		EXCESS AREA		SURPLUS AREA		GROSS AREA	
	SF	ACRES	SF	ACRES	SF	ACRES	SF	ACRES
Phase I	3,324,000	76.31	0	0.00	0	0.00	3,324,000	76.31
Phase II	1,027,145	23.58	0	0.00	0	0.00	1,027,145	23.58
Total	4,351,145	99.89	0	0.00	0	0.00	4,351,145	99.89

*Please note that we utilized the site size provided on the survey by our client.

Shape: Irregular, see plat map

Topography: Hilly

Adjacent Properties:

North: Landmark Deerfield Glen (fka Cedarbrook) Apartments and Wood Garden Apartments
 South: Riverchase Landing Apartments
 East: I-65 and a townhome community
 West: Lorna Road and commercial uses

Utilities:

Water: Birmingham Water Works, sub metered by Apex
 Sewer: Jefferson County via Birmingham Water Works
 Electric: Alabama Power
 Gas: Alabama Gas Company
 Telephone: Multiple, AT&T has a big presence in the local area
 Trash: Allied Waste

Street Improvements:

Lorna Road: Two lanes each direction with turn lanes, curbs, streetlights, lighted intersection, no sidewalks
 Veona Daniels Road: One lane each direction with turn lanes, no curbs or sidewalks

Accessibility: Access to the subject site is average.

Exposure: Exposure of the subject is average. Indirect visibility is provided via Lorna Road.

Easements: During the on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.

Soils: A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.

Flood Plain:

Flood Zone X is a Special Flood Hazard Area determined to be outside the 500-year floodplain. No Base Flood Elevations (BFEs) or depths are shown in this zone, and insurance purchase is not required.

This is referenced by Map Panel Number 01073C076G, dated September 26, 2006.

Hazardous Waste:

We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

Site Rating:

Overall, the subject site is considered a good residential site in terms of its location, topography, and access to employment, education and shopping centers. The exposure is considered to be average for the area. Utilities are in-place and adequate. There are no known factors that would prohibit the site from being developed according to its highest and best use.

SURVEY

THE GRAND AT GALLERIA
(GALLERIA LEGAL - PARCEL I)

LOCATED IN THE NW 1/4-SE 1/4, T28 N 1/4-W8 E 1/4,
SW 1/4-SE 1/4 AND THE SW 1/4-NE 1/4, SEC. 18, T28S, R27E,
JEFFERSON COUNTY, ALABAMA

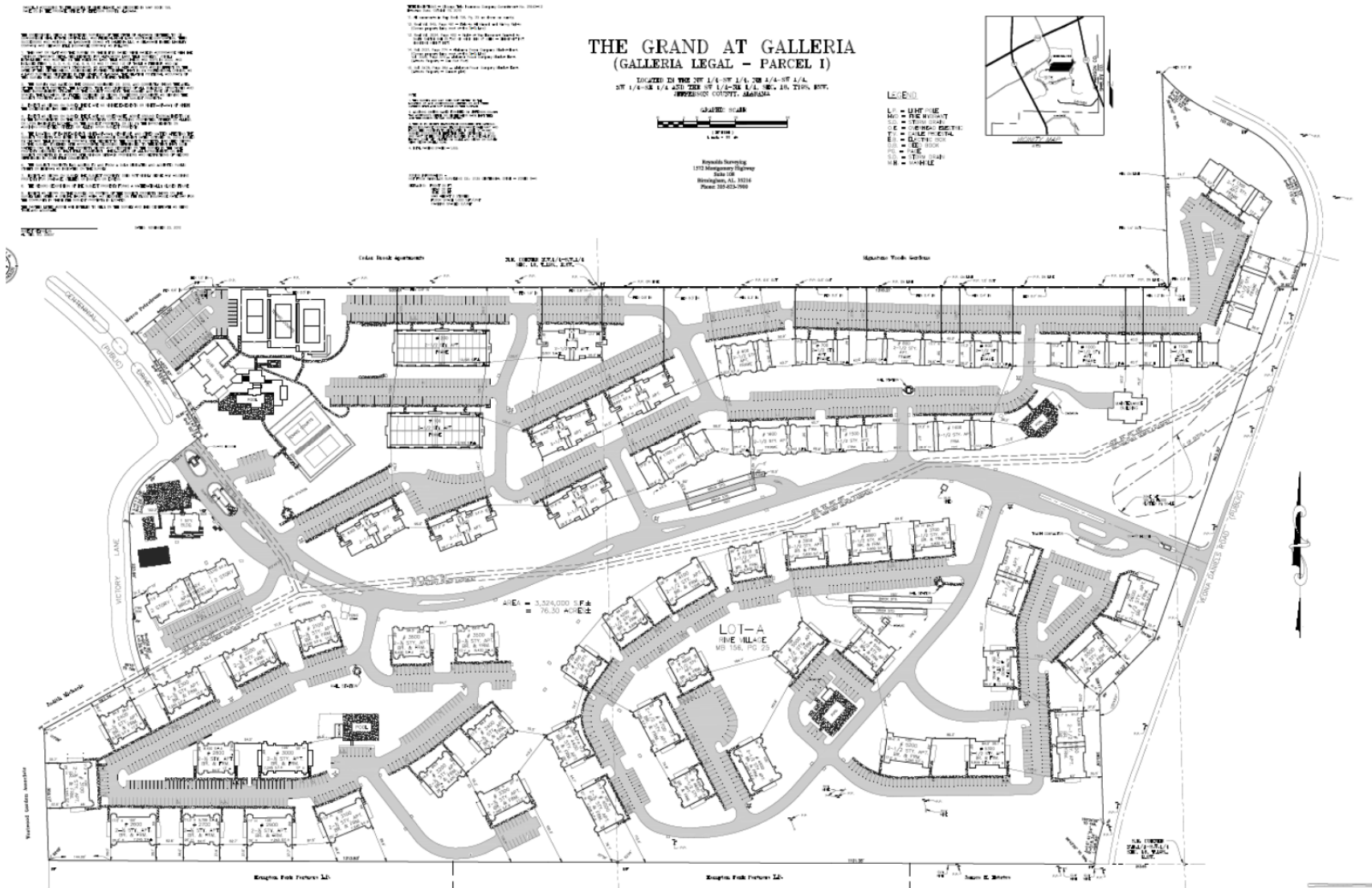
GRAPHIC SCALE

(IN FEET)
1 inch = 10 feet

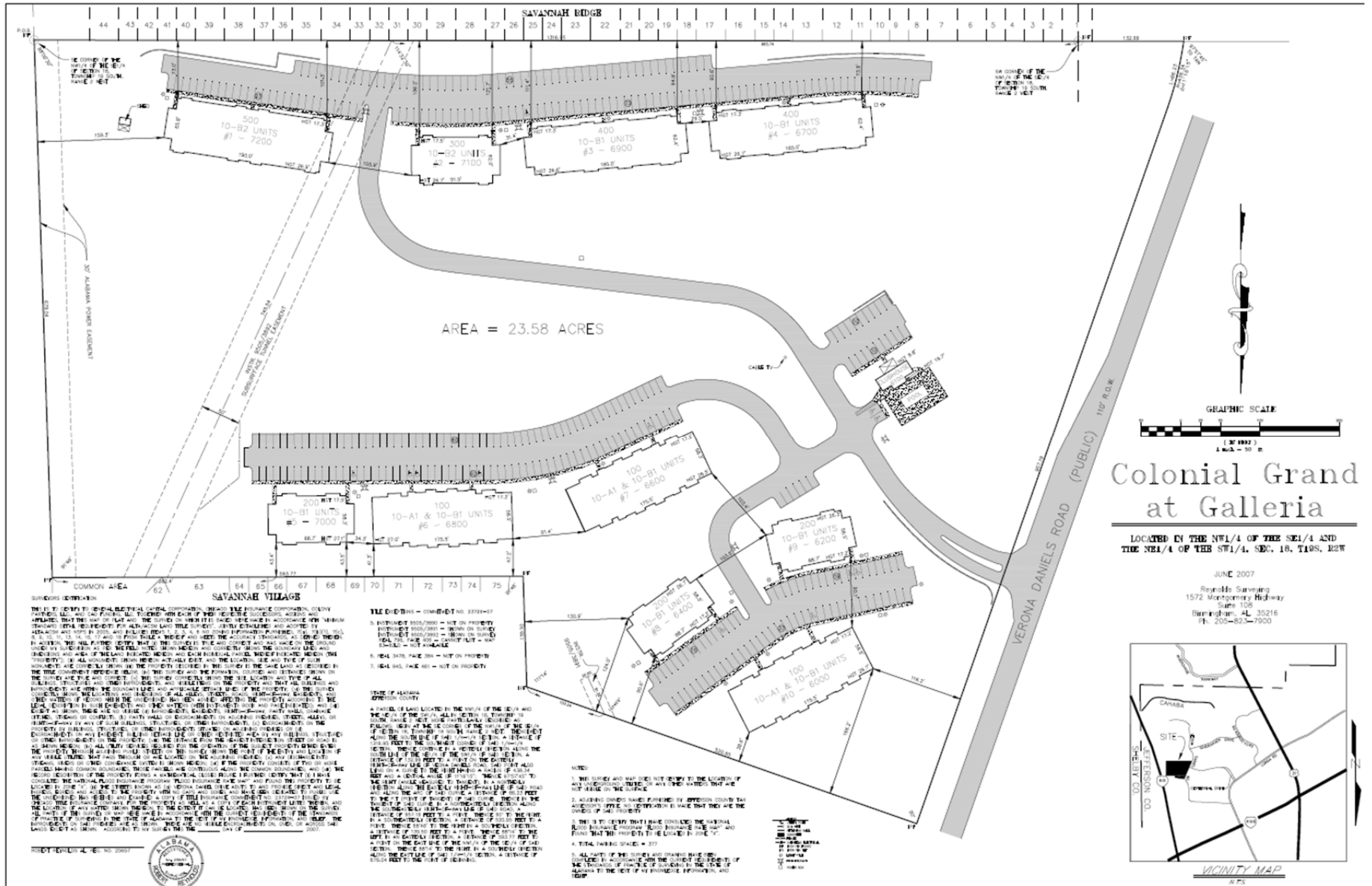
Reynolds Surveying
1572 Montgomery Highway
Suite 108
Birmingham, AL 35216
Phone: 205-823-7900

LEGEND

L.P. = LIGHT POLE
H.V. = FIRE HYDRANT
S.D. = STORM DRAIN
O.E. = OVERHEAD ELECTRIC
T.V. = TRAILER PRESTAL
E.B. = ELECTRIC BOX
D.B. = DODG BUSH
P.O. = POLE
S.D. = STORM DRAIN
M.H. = MANHOLE



EXHIBITS (CONTINUED)



IMPROVEMENT DESCRIPTION

Introduction:

The information presented below is a basic description of the existing improvements. This information is used in the valuation of the property. Reliance has been placed upon information provided by sources deemed dependable for this analysis. It is assumed that there are no hidden defects, and that all structural components are functional and operational, unless otherwise noted. If questions arise regarding the integrity of the improvements or their operational components, it may be necessary to consult additional professional resources.

Property Type:

Multi-Family (Garden/Low Rise)

Buildings:

No. Apt. Buildings: 72 (2 and 3-story)
 No. Common Area Buildings: 6 (Clubhouse/Leasing Office, Maintenance Building, Pool Cabana)
 No. Total Buildings: 78
 Additional Buildings: 4 storage buildings with a total of 65 storage units rented at \$25 per month

Unit Mix:

Unit Types	No. Units	Size (SF)	Total (SF)
0BR/1BA	20	390	7,800
0BR/1BA	118	512	60,416
1BR/1BA	80	720	57,600
1BR/1BA	80	780	62,400
1BR/1.5BA	80	1,064	85,120
1BR/1.5BA	30	1,180	35,400
1BR/2BA	12	1,313	15,756
2BR/2BA	80	1,075	86,000
2BR/2BA	41	1,100	45,100
2BR/2BA	82	1,304	106,928
2BR/2BA	159	1,315	209,085
2BR/2BA	100	1,360	136,000
2BR/2BA	30	1,435	43,050
2BR/2BA	42	1,521	63,882
3BR/2BA	126	1,521	191,646
Unit Total/Avg.	1080	1,117	1,206,183
Residential Buildings Common Area			84,433
Primary Clubhouse/Leasing Office			6,500
Additional Clubhouse/Leasing Office			2,500
Pool House Buildings (3)			1,500
Maintenance Building			2,000
Gross Building Area			1,303,116

*Amounts for the additional buildings were estimated by the appraiser as Public Records did not list sizes and building plans were not provided.

Year Built:

1985-1996, Renovated 2011/2012. The property was developed in phases with Phase I representing mid- to late- 1980s vintages and Phase I representing 1996 vintage. There are 142 units in Phase II, or 13.14% of the unit mix.

Age/Life Analysis:

Actual Age: 27 years
 Effective Age: 15 years
 Economic Life: 45 years

IMPROVEMENT DESCRIPTION (CONTINUED)

Remaining Life:	30 years. The substantial renovation (to be discussed in the coming section) increased the remaining economic life of the improvements significantly.
Quality & Condition:	The subject property is average quality and is in good condition for the market area.
Density:	10.81 units per acre (1,080 units / 99.89 acres)
Foundation:	Concrete footings
Exterior Walls:	Most buildings are wood frame with stucco and brick veneer. The 1996 vintage buildings have siding and brick veneer. The building exteriors were in good condition with no significant signs of wear or deferred maintenance. It was reported that any required maintenance was completed by either the prior owner or the current owner.
Roofing:	Pitched roof with composition asphalt shingles. The on-site manager did not know the age of the roofs but no roof leaks were reported.
Insulation:	Exact type unknown, assumed adequate R-type
Plumbing:	Exact type unknown, assumed adequate and consistent with current local building code.
Appliances:	Each unit is equipped with an electric oven/range combination, garbage disposal, dishwasher, and refrigerator/freezer. The appliances are 80% new in the 2011/2012 renovation and are black. The remaining 20% of the appliance will be replaced as need upon turnover.
Heating and A/C:	HVAC, Residential split system with electric fired furnaces, Pad mounted condensing units. All air handlers and condensing units are replaced as needed.
Hot Water:	Domestic hot water is provided individually with 30 - 40 gallon capacity water heaters (electric) located in closets within the units. Water heaters are replaced as needed.
Lighting:	Each unit has adequate lighting (Fluorescent lights in the kitchen, incandescent lighting fixtures elsewhere). Light fixtures are of average quality and 90% of the units have new light fixture packages in the 2011/2012 renovation.
Laundry:	Washer/dryer connections in all units. In addition, the project offers laundry on-site. Residents can lease the appliances from an outside company.
Interior Walls/Ceiling:	Painted and medium textured finish on gypsum board.
Windows:	Windows are double pane, single hung aluminum sliders with mini blinds.
Doors and Trim:	Exterior doors are typically metal with peepholes. Interior doors are hollow, painted wood.

Floor Covering:	Floor coverings for kitchens and baths are vinyl with 'wood-look.' The bedrooms have carpet. Approximately 50% of the units have new flooring with additional replacements made on an ongoing basis at turnover.
Unit Interior Finishes:	The mid- to late- 1980s vintage units have darker wood cabinets with new hardware in 2011/2012. The 1990s vintage units have light wood cabinets. All units have resurfaced countertops. Additionally, plumbing and light fixtures were replaced in 90% of the units. Approximately 50% of the units have new flooring and 80% have new black appliances.
Landscaping:	There are mature plantings surrounding the property. Plantings throughout the property include trees, flowers, mowed lawn, shrubs and hedges. Landscaping is attractive and in average condition. Landscaping improvements were made in the 2011/2012 renovation.
Project Amenities:	Clubhouse with wi-fi, billiards, media room, tennis courts (3), pools (4), sport courts, playground, sand volleyball, bark park, 2 laundry centers, and fitness center with sauna. In the renovation many of the amenities were upgraded or renovated including the tennis and sport courts, bark park and clubhouse. The fitness center is above average quality for even a Class A property and the clubhouse is consistent with a Class A asset clubhouse.
Unit Amenities:	Each unit features a deck or patio, ceiling fans and washer/dryer connections (with the exception of studio units).
Parking:	2282 surface spaces as reported on the survey. The paving is in good condition for the vintage with no potholes or areas of deterioration noted.
Security Features:	All units have fire/smoke detectors and deadbolt locks on the entry doors.
Utilities:	For all but studio units, no utilities are included in the rent. Water and sewer charges were previously reimbursed on a flat rate basis but as of August 1, 2012 water and sewer charges will be billed back on a RUBS system based on the unit size and number of occupants. Trash is charged on the water bill. Studio units have all utilities included and management is considering implementing a utility cap or reimbursement for this expense.
Deferred Maintenance:	The subject property recently underwent a \$3.6M renovation in 2011/2012 and this is subsequent to a nearly \$6.8M renovation that occurred prior to acquisition by the current owner. Given the recent significant renovation it is our understanding that no deferred maintenance items exist and none were noted on inspection.
Hazardous Materials:	This appraisal assumes that the improvements are constructed free of all hazardous waste and toxic materials, including (but not limited

to) asbestos. Please refer to the Assumptions and Limiting Conditions section regarding this issue.

ADA Comment:

This analysis assumes that the subject complies with all ADA requirements. Please refer to the Assumptions and Limiting Conditions section regarding this issue.

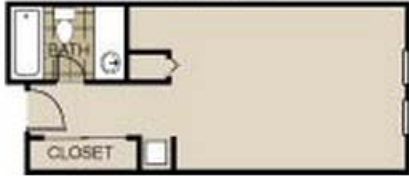
Improvements Conclusion:

The subject improvements are in good condition for their age and for the surrounding neighborhood. The interiors have Class B+ finish, superior to most other properties in the immediate area. The property has an attractive design and good curb appeal. **Its recent extensive renovation and abundant amenities offered make the property well positioned amongst the direct competitors.**

FLOOR PLANS

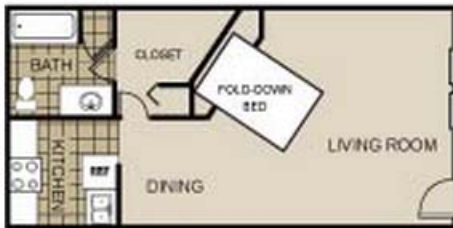
1.

Efficiency
390 Square Feet



2.

Studio
512 Square Feet



3.

One Bed/One Bath
720 Square Feet



4.

One Bed/One Bath
780 Square Feet



5.

Two Bed/One Bath
1075 Square Feet



6.

One Bed/One & 1/2 Bath
1064 Square Feet



7.

One Bed/One & 1/2 Bath
1180 Square Feet



8.

One Bed/Two Bath w/Den
1313 Square Feet



9.

Two Bed/Two Bath
1100 Square Feet



13.

Two Bed/Two Bath
1435 Square Feet



14.

Two Bed/Two Bath w/Den
1521 Square Feet



15.

Three Bed/Two Bath
1521 Square Feet



ASSESSMENT & TAX INFORMATION

Assessment & Taxation Description - The subject is located in Jefferson County and is subject to both ad valorem real estate tax liability and special assessments from the County and the City of Hoover. In addition, the City of Hoover charges a 1% sales tax on rental payments; this will be shown in the income approach under 'additional taxes.'

The subject's assessed values and property taxes for the past, current and upcoming year are summarized in the following table.

REAL ESTATE TAX INFORMATION			
Year		2011 Actual	2012 Actual
Pro Forma			
TL County Appraised Value			
Parcel 1	40 00 18 3 000 001.000	\$34,218,600	\$33,059,000
Parcel 2	40 00 18 4 000 005.000	\$10,575,700	\$10,420,500
Total		\$44,794,300	\$43,479,500
County Assessment			
County Assessment %	20%		
Total		\$8,958,860	\$8,695,900
Millage Rate		6.624216474	NA
Ad Valorem RE Tax Liability			
Parcel 1		\$487,486	\$480,016
Parcel 2		\$105,969	\$104,413
Total		\$593,454	\$584,429
Special Assessments			
Storm Water Fee		\$15	\$15
Storm Water Fee		\$15	\$15
Total		\$30	\$30
Total		\$593,484	\$584,459
			\$585,000
Status			
Total		Paid	Paid
			NA
Source: County Tax Assessor's, Collector & Equalization Offices			

According to a representative from the County Tax Collector's office, properties are re-assessed every year. This change occurred in 2001, prior to that properties were re-assessed every four years. If a transaction occurs, it will likely impact the County assessment. Property Assessments are determined by the Board of Equalization. We spoke with an official from this office who reported that it is too early to tell if the property will receive an increase in its assessment. This determination is made in May 2012 for the 2012 tax year and as such, the 2012 assessments were recently released. However, final tax bills have not been established. The amounts reported in the 2012 actual are based on the preliminary tax liability as reported by the County.

Tax Comparables – Three tax comparables in the local area were provided for comparison purposes.

TAX COMPARABLES				
	Subject	Comp. 1	Comp. 2	Comp. 3
		Wildforest	Cedarbrook	Wood Gardens
Address	2135 Centennial Dr Hoover, Alabama	Homewood, AL	Hoover, AL	Hoover, AL
Year Built	1985-1996	1994	1982/Ren. 2010-2011	1986
No. Units	1,080	220	320	332
Total Assessed Value	\$8,695,900	\$1,675,720	\$2,619,960	\$2,896,440
Per Unit	\$8,052	\$7,617	\$8,187	\$8,724

The comparables indicate a range from \$7,617 to \$8,187 per unit in assessed value and bracket the subject very well. Therefore no significant increase in the real estate tax assessment is anticipated, particularly considering there was a recent sale from which the County could have based their 2012 assessment on.

Conclusion - According to conversations with the Board of Equalization, conditions such as renovation or property improvement are factored into the re-assessment and were considered for the 2012 tax year. We have based our pro forma conclusion on the 2012 anticipated tax bill as reported by the County. This is reasonable given that the comparables' assessments bracket the subject's. Based on the scope of this assignment, any pending tax liens are not considered in the value conclusion.

ZONING ANALYSIS

Zoning characteristics for the subject property are summarized below:

ZONING SUMMARY	
Zoning Municipality	City of Hoover
Zoning Name	Multifamily (R-4)
Permitted Uses	Multifamily, Assisted Living Facilities, Independent Living Facilities, Nursing Homes
Current Use	Multi-Family Apartments
Legally Permitted	Yes
Zoning Change	No

ZONING REQUIREMENTS	
Minimum Lot Area (SF)	None
Minimum Lot Width	200 Feet
Minimum Yard Setbacks	
Front	35 Feet
Side	25 Feet
Rear	30 Feet
Maximum Building Coverage	None, must conform to density and building height requirements
Maximum Building Height	2 stories for multifamily
Maximum Building Area (FAR)	None
Maximum Density (Units/Acre)	7 units per gross acre
Parking Requirement	
Spaces Per Unit	2 spaces per unit
Conforming Use	No (See Zoning Conclusion)

Source: City of Hoover

Zoning Conclusions

According to the City of Hoover zoning requirements, the subject improvements represent a legally non conforming use based on it offering 3 story structures and a higher density. According to Rick Stallins, Hoover Building Department, non conforming structures more than 50% damaged of current replacement value cannot be rebuilt except according to current zoning code. If it's damaged less than 50% the property owner can rebuild within 12 months of date of damage. This is attributed to many areas of Hoover previously under the jurisdiction of Jefferson Co which were annexed in 1980s. The county allowed higher density than the City of Hoover.

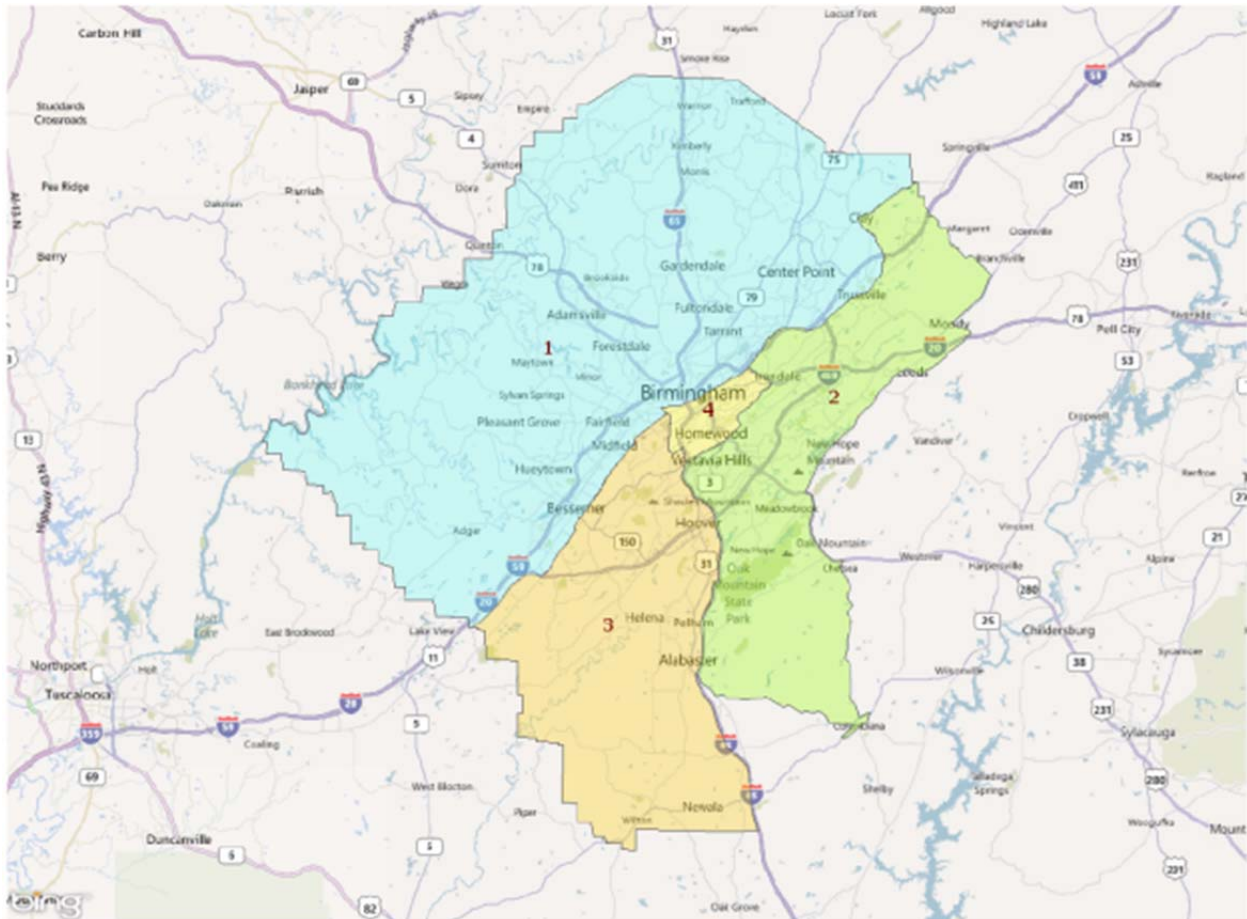
Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our analysis correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. We note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

MARKET ANALYSIS

BIRMINGHAM METRO APARTMENT MARKET

In this section, an overview of market conditions which influence the marketability of the subject as a multi-family development will be considered. The major factors requiring consideration are the supply and demand conditions that influence multi-family development. We have compiled information from a variety of resources, so some conflict and/or overlap occurs. We primarily utilized information published by Reis, Inc. (2Q2012).

REIS, Inc., a specialist in market research for multi-family, classifies the Metro Birmingham apartment market into five submarkets, as shown below. According to REIS, Inc., the subject is located within the South submarket (Submarket 3). We will first analyze the metro market, followed by the submarket.



The following graphic illustrates the submarket areas as defined by Reis, Inc.

Metro Overview

New construction, meanwhile, is the emerging story. The 334-unit Parc at Grandview completed at Highway 280 and Grandview Parkway in east Birmingham in March. In addition, 700 market-rate apartments were under construction in five projects metrowide as of late June. Of these, the largest is the 250-unit Ashby at Ross Bridge, which broke ground in January in southwest suburban Bessemer. A completion date was not specified. The 223-unit Tapestry Park Apartments broke ground in February in Birmingham's Central submarket for completion in April 2013. Due on line the same month following a

MARKET ANALYSIS (CONTINUED)

March 2012 start is The Hills, a 122-unit project at 1832 E. Oxmoor Road in the same submarket. Other projects, meanwhile, recently have been announced, including two with a combined total of 552 units in the 7,800-acre Oxmoor Valley mixed-use community southwest of Birmingham (in Reis' South submarket). The *Birmingham Business Journal* recently described Oxmoor Valley as "a sweet spot" for residential development. See *Special Real Estate Factors* for additional commentary on Oxmoor Valley and two of its new projects.

The subject is located in the Birmingham metro market as defined by Reis, Inc. The following chart displays historical and projected trends.

Section 25 - Metro Data											
Year	Qtr	Inventory SF/Units	Completions	Inventory Growth%	Vacant Stock	Vacancy Rate	Vacancy Change(BPS)	Occupied Stock	Net Absorption	Asking Rent	Ask Rent % Chg
2007	Y	41,990	77	0.2%	2,580	6.1%	60	39,410	-179	\$682	3.6%
2008	Y	42,409	419	1.0%	3,745	8.8%	270	38,664	-746	\$709	3.9%
2009	Y	42,763	354	0.8%	4,274	10.0%	120	38,489	-175	\$705	-0.5%
2010	3	43,021	258	0.6%	3,798	8.8%	-80	39,223	556	\$711	0.2%
2010	4	43,021	0	0.0%	3,555	8.3%	-50	39,466	243	\$710	-0.1%
2010	Y	43,021	258	0.6%	3,555	8.3%	-170	39,466	977	\$710	0.8%
2011	1	43,021	0	0.0%	3,561	8.3%	0	39,460	-6	\$716	0.8%
2011	2	42,954	0	-0.2%	3,348	7.8%	-50	39,606	146	\$720	0.6%
2011	3	42,954	0	0.0%	3,158	7.3%	-50	39,796	190	\$723	0.5%
2011	4	42,903	0	-0.1%	2,931	6.8%	-50	39,972	176	\$730	1.0%
2011	Y	42,903	0	-0.3%	2,931	6.8%	-150	39,972	506	\$730	2.8%
2012	1	43,237	334	0.8%	2,858	6.6%	-20	40,379	407	\$735	0.6%
2012	2	43,237	0	0.0%	2,711	6.3%	-30	40,526	147	\$742	0.9%
2012	Y	43,342	439	1.0%	2,533	5.8%	-100	40,809	837	\$752	3.0%
2013	Y	44,079	737	1.7%	2,460	5.6%	-30	41,619	810	\$779	3.6%
2014	Y	44,374	295	0.7%	2,203	5.0%	-60	42,171	552	\$812	4.2%
2015	Y	44,646	272	0.6%	2,217	5.0%	0	42,429	258	\$846	4.2%
2016	Y	44,964	318	0.7%	2,062	4.6%	-40	42,902	473	\$875	3.4%

As shown in the preceding table, there has been minimal inventory growth since 2007 with 1,700 units delivered since that time. There are 42,237 units in the market as of 2Q2012. The average physical vacancy for 2009 was 10.0% as reported by REIS and has improved to 6.3% in the current quarter. Net absorption has been positive since 2010 and this is anticipated to continue into 2016 despite the anticipated deliveries.

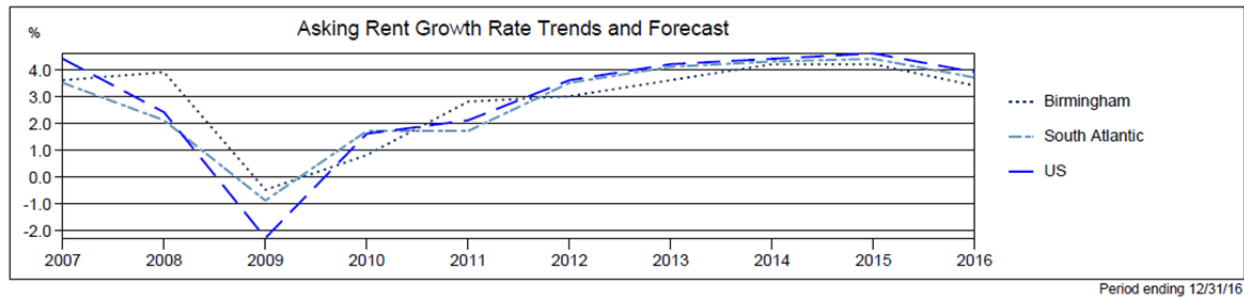
Rent Growth Comparisons

The charts below (based on information from REIS, Inc.) compare the rent growth in the Birmingham market area, the South Atlantic, and the United States markets.

Section 2 - Rent Growth Comparisons

		Asking Rent Growth						
		Quarterly			Annualized			
		2Q12	1Q12	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
Birmingham		0.9%	0.6%	0.8%	2.8%	1.0%	2.1%	3.7%
South Atlantic		1.0%	0.5%	0.8%	1.7%	0.8%	1.6%	4.0%
United States		1.0%	0.5%	0.8%	2.1%	0.4%	1.6%	4.1%
Period Ending:		06/30/12	03/31/12	06/30/12	12/31/11	12/31/11	12/31/11	12/31/16

Metro Rank Compared to:	Total Metros	Metro Ranks						
		2Q12	1Q12	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
South Atlantic	26	18	13	13	2	9	7	12
United States	82	51	38	37	7	26	23	54



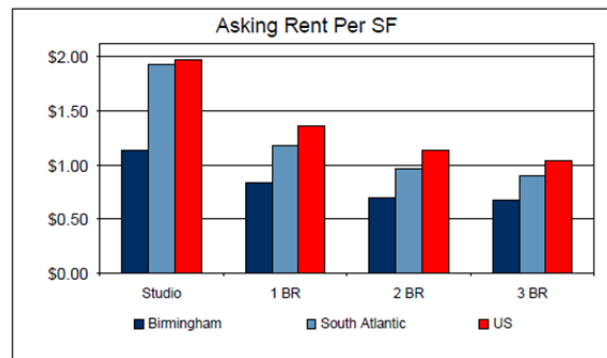
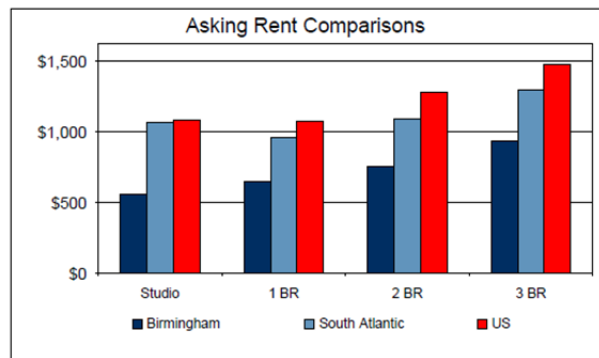
The YTD rent growth in the market area (0.8%) is consistent with the growth in the South Atlantic (0.8%), and the United States (0.8%) markets. Rent growth in the next five years is expected to increase 3.7% in the metro, which is slightly less than the growth rates forecasted for the South Atlantic and the United States markets. This is primarily attributed to the metro's dependence on hospitality and tourism professions which are relatively low-paying jobs and over-building in the recent past.

Rent By Unit Mix

The rent levels in the market area have remained below rent levels throughout the South Atlantic and United States markets. The following chart displays a comparison between the general market and the subject's metro area.

Section 5 - Metro Unit Mix Rent Details

Current Metro Average Rents and Sizes				Asking Rent Growth					
	2Q 2012			Quarterly			Annualized		
	Rent	Avg. SF	Avg. Rent PSF	2Q12	1Q12	YTD	1 Year	3 Year	5 Year
Studio/Efficiency	\$557	490	\$ 1.14	0.2%	1.8%	2.0%	1.7%	0.9%	1.3%
One Bedroom	\$652	783	\$ 0.83	1.4%	1.1%	2.5%	2.4%	0.9%	2.1%
Two Bedroom	\$755	1089	\$ 0.69	0.7%	0.5%	1.2%	3.3%	1.1%	2.1%
Three Bedroom	\$939	1387	\$ 0.68	1.5%	0.0%	1.5%	1.9%	0.9%	2.1%
Average over period ending:				06/30/12	03/31/12	06/30/12	12/31/11	12/31/11	12/31/11



	Studio	1 BR	2 BR	3 BR
Birmingham	\$557	\$652	\$755	\$939
South Atlantic	\$1,069	\$963	\$1,090	\$1,294
United States	\$1,082	\$1,077	\$1,278	\$1,475

As of 06/30/12

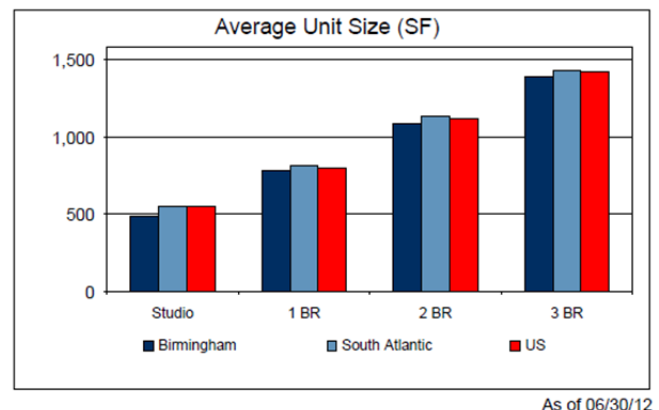
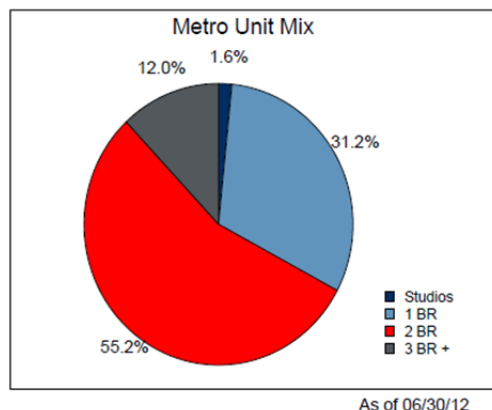
	Studio	1 BR	2 BR	3 BR
Birmingham	\$ 1.14	\$ 0.83	\$ 0.69	\$ 0.68
South Atlantic	\$ 1.93	\$ 1.18	\$ 0.96	\$ 0.90
United States	\$ 1.97	\$ 1.36	\$ 1.14	\$ 1.04

As of 06/30/12

As is shown, the Birmingham market lags the US and the South Atlantic in terms of asking rental rates on a monthly and per square foot basis.

Supply Characteristics

The following charts illustrate the general unit mix and average unit size for the metro, South Atlantic and the US.



Inventory By Building Age

Year Built	Percent
Before 1970	9.0%
1970-1979	38.0%
1980-1989	23.0%
1990-1999	16.0%
2000-2009	13.0%
After 2009	1.0%
All	100.0%

As of 06/30/12

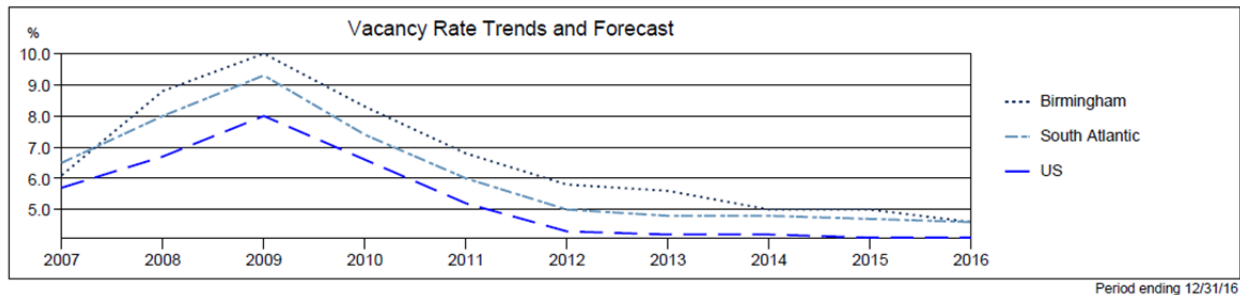
As is shown, the metro is made up mostly two bedroom units. Studio units make the smallest percentage of the overall unit mix at 1.6%. In general, the metro offers slightly smaller unit sizes on average to the South Atlantic and the US. For the most part, it appears that construction activity has been relatively evenly dispersed from 1970 to 2009.

Vacancy Comparisons

The following chart compares the average vacancies in the metro market area, the South Atlantic, and the United States markets.

Section 4 - Vacancy Rate Comparisons								
		Vacancy Rates						
		Quarterly			Annualized			
		2Q12	1Q12	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
Birmingham		6.3%	6.6%	6.4%	7.5%	8.5%	7.6%	5.2%
South Atlantic		5.5%	5.7%	5.6%	6.7%	7.7%	7.3%	4.8%
United States		4.7%	4.9%	4.8%	5.9%	6.6%	6.4%	4.2%
Period Ending:		06/30/12	03/31/12	06/30/12	12/31/11	12/31/11	12/31/11	12/31/16

Metro Rank Compared to:	Total Metros	Metro Ranks						
		2Q12	1Q12	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
South Atlantic	26	21	21	21	20	18	15	18
United States	82	70	70	70	67	68	59	65



As noted in the chart above, the YTD average vacancy in the subject's market area (6.4%) is higher than the South Atlantic (5.6%) and the United States (4.8%) markets. Average market physical vacancy rates have been generally decreasing since 2009, and are projected to decline further through 2016 to approximately 5.2% in the metro area.

Construction and Absorption

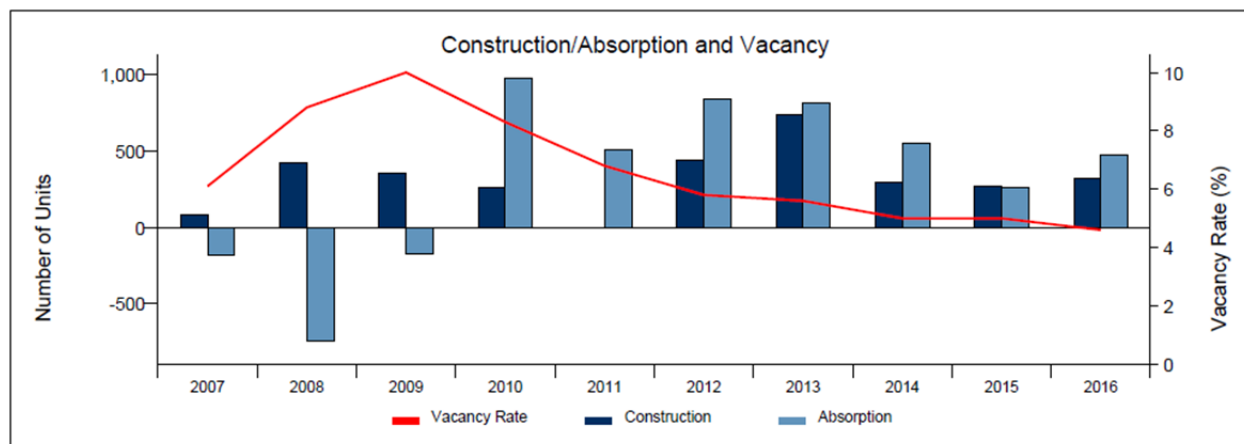
The following table displays the recent apartment construction in the subject metro market. As noted, over the past five years there has been significant new construction in the market area. In addition, the construction/absorption ratios during the past 3 to 5 years indicate that supply has generally exceeded demand in the market area, which resulted in an increase in the vacancy rate. However, as is shown, in the past year the construction/absorption ratio was favorable with absorption outpacing construction. We expect this trend to continue at least for the foreseeable future which eventually should stabilize the market area's vacancy rates.

Section 9 - Construction/Absorption Change

Construction and Absorption

	Quarterly								
	2Q12			1Q12			YTD Avg		
	Units Built	Units Absorbed	Con/Abs Ratio	Units Built	Units Absorbed	Con/Abs Ratio	Units Built	Units Absorbed	Con/Abs Ratio
Birmingham	0	147	0.0	334	407	0.8	167	277	0.6
South Atlantic	2,795	7,188	0.4	2,353	8,965	0.3	2,574	8,077	0.3
Average over period ending:	06/30/12	06/30/12	06/30/12	03/31/12	03/31/12	03/31/12	06/30/12	06/30/12	06/30/12

	Annualized								
	1 Year History			3 Year History			5 Year History		
	Units Built	Units Absorbed	Con/Abs Ratio	Units Built	Units Absorbed	Con/Abs Ratio	Units Built	Units Absorbed	Con/Abs Ratio
Birmingham	0	506	0.0	204	436	0.5	222	77	2.9
South Atlantic	13,255	44,559	0.3	26,879	39,552	0.7	31,153	30,358	1.0
Average over period ending:	12/31/11	12/31/11	12/31/11	12/31/11	12/31/11	12/31/11	12/31/11	12/31/11	12/31/11



Period ending 12/31/16

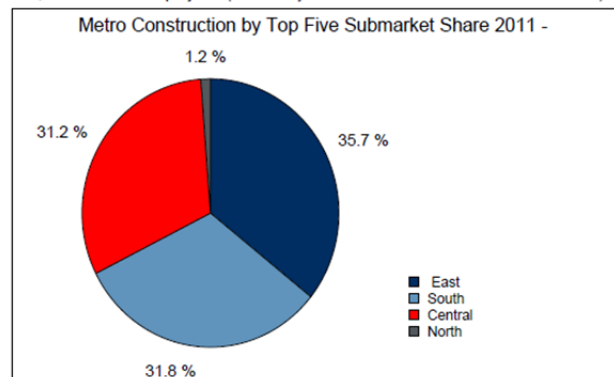
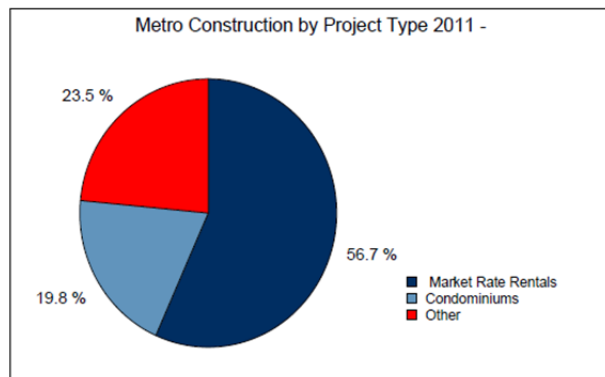
Inventory growth has been generally decreasing over the last 24 months; it is forecasted to pick up in 2012 through 2016. However, absorption is anticipated to generally outpace construction, with vacancy rates steadily declining.

MARKET ANALYSIS (CONTINUED)

The following chart illustrates the various submarkets in the Birmingham metro and the units planned or proposed, under construction or recently completed.

Section 10 - Submarket New Construction Project Tally								
Rank	Submarket	Units 2011	Units 2012	Units 2013	Units 2014	2011 - 2014		
						Units	Market Share	Cumulative Market share
1	Non-Submarketed Areas	0	0	0	0	0	0.0%	0.0%
2	South	0	0	0	0	0	0.0%	0.0%
3	North	0	51	0	0	51	6.5%	6.5%
4	East	0	334	0	0	334	42.6%	49.1%
5	Central	0	54	345	0	399	50.9%	100.0%

As of 06/30/12, based on actual projects (totals may differ from Reis Metro/SubTrend Futures)



Includes all recently completed, under construction, planned, and proposed properties from the table above. Note that some verified listings for planned and proposed properties do not yet have a firm completion date.

The South submarket is an established submarket that despite being a favorable submarket, has not seen new development in the recent plan, nor is any development planned through 2014.

Limited stabilization data is available in the market due to a falloff in recent construction of new apartment properties. **There are an abundance of real estate owned (REO) assets that have been acquired or that are in receivership. Most of these assets were acquired or taken over and suffered from low occupancy rates and went through a lease up process following new ownership or management in-place. However, absorption data was difficult to obtain from these comparables.** The following absorption information is provided by Reis, Inc.

Stabilization Data

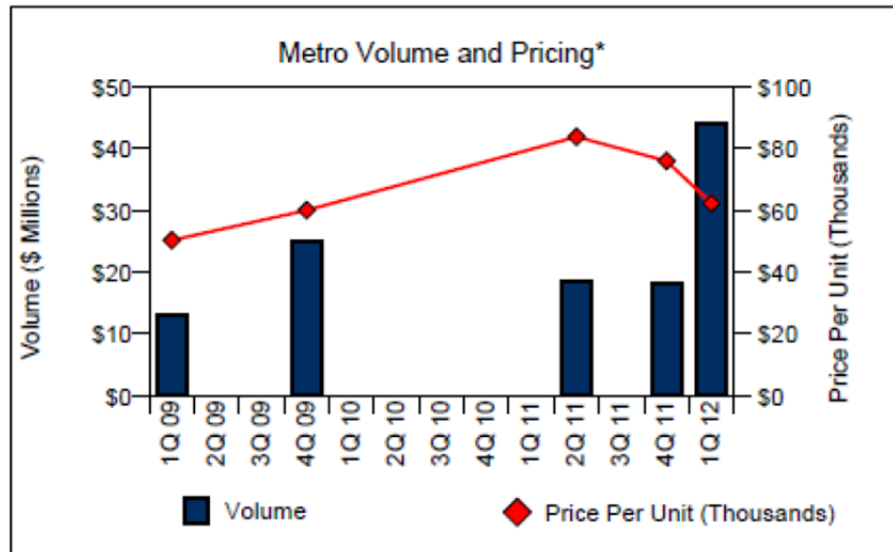
Construction Year:	2006	2007	2008	2009	2010	2011	2012 YTD
No. of Properties Tracked	4	1	1	4	1		1
Properties Stabilized 0-4 Quarters After Completion	0	1	0	0	1		0
Properties Stabilized 5-8 Quarters After Completion	0	0	1	0	0		0
Properties Stabilized 9-12 Quarters After Completion	0	0	0	0	0		0
Properties Stabilized 13+ Quarters After Completion	3	0	0	0	0		0
Properties That Have Not Yet Stabilized	1	0	0	4	0		1

Stabilization is reached when the average vacancy of the properties built in any given year equals or is less than the metro's average overall vacancy for the last five years. "0" in the Quarters After Completion chart above represents the vacancy at completion.

As is shown, in 2009 and 2010 a total of five properties were tracked for months to stabilized occupancy levels. There is limited stabilization data in 2011 and 2012YTD. It is unknown if these properties have yet reached stabilization.

Birmingham Apartment Transactions

The following chart shows the Metro Birmingham transaction statistics as of 1st Quarter 2012.



Until lately, the market has seen little recent investment activity. The two properties that sold during the first quarter of 2012, for a combined total of \$44.0 million, fetched slightly more than the two properties that sold in all of 2011. The average selling price for the first quarter sales, however, was lower at \$62,000 per unit. In the larger of the two deals, UC Funding paid Lightstone Group \$30.0 million (\$64,103 per unit) for the 468-unit Riverchase Landing Class A property at 200 River Haven Circle in Birmingham. The 12-month rolling cap rate, reflecting very few sales, was 4.7% per quarter-end. Several notable deals have closed since the quarter ended, however. In May, Providence Investments LLC bought the 220-unit Waterford Landing complex in Hoover for \$14.45 million, as reported by the *Birmingham Business Journal*. An ownership group led by Engel Inc. was the seller. Earlier that month, the same buyer and seller closed a \$22 million transaction for the 312-unit Wellington Manor property in south suburban Alabaster. In April, a “Memphis-based investment company” acquired the 28-acre Barrington on the Green apartment complex in Hoover for \$28.5 million, this source reports. In May, “a New York-based real estate joint venture” composed of CLK Properties and RCG Longview agreed to “take over five apartment complexes” with a combined total of 1,900 units in Hoover, Vestavia and Homewood are entailed. Three of the properties were in foreclosure.

SUB MARKET APARTMENT ANALYSIS

The subject is located in the South submarket as defined by Reis, Inc. The following chart displays historical and projected trends in the subject’s submarket.

MARKET ANALYSIS (CONTINUED)

Section 37 - Submarket Data

Year	Qtr	Inventory SF/Units	Completions	Inventory Growth%	Vacant Stock	Vacancy Rate	Vacancy Change(BPS)	Occupied Stock	Net Absorption	Asking Rent	Ask Rent % Chg
2007	Y	10,831	0	0.0%	650	6.0%	80	10,181	-87	\$749	2.5%
2008	Y	10,887	56	0.5%	860	7.9%	190	10,027	-154	\$772	3.1%
2009	Y	11,177	290	2.7%	1,285	11.5%	360	9,892	-135	\$781	1.2%
2010	3	11,177	0	0.0%	1,006	9.0%	-150	10,171	168	\$778	-1.0%
2010	4	11,177	0	0.0%	894	8.0%	-100	10,283	112	\$778	0.0%
2010	Y	11,177	0	0.0%	894	8.0%	-350	10,283	391	\$778	-0.4%
2011	1	11,177	0	0.0%	950	8.5%	50	10,227	-56	\$784	0.7%
2011	2	11,177	0	0.0%	900	8.0%	-50	10,277	50	\$790	0.9%
2011	3	11,177	0	0.0%	827	7.4%	-60	10,350	73	\$796	0.6%
2011	4	11,177	0	0.0%	749	6.7%	-70	10,428	78	\$802	0.8%
2011	Y	11,177	0	0.0%	749	6.7%	-130	10,428	145	\$802	3.0%
2012	1	11,177	0	0.0%	637	5.7%	-100	10,540	112	\$803	0.2%
2012	2	11,177	0	0.0%	615	5.5%	-20	10,562	22	\$812	1.0%
2012	Y	11,177	0	0.0%	570	5.1%	-50	10,607	179	\$822	2.5%
2013	Y	11,329	152	1.4%	555	4.9%	-20	10,774	167	\$850	3.4%
2014	Y	11,434	105	0.9%	489	4.3%	-60	10,945	171	\$882	3.8%
2015	Y	11,529	95	0.8%	504	4.4%	10	11,025	80	\$905	2.5%
2016	Y	11,639	110	1.0%	445	3.8%	-50	11,194	169	\$928	2.6%

As shown in the preceding table, there has been minimal inventory growth since 2007 with 346 units delivered since that time. There are 11,177 units in the market as of 2Q2012. The average physical vacancy for 2009 was 11.5% as reported by REIS and has improved to 5.5% in the current quarter. Net absorption has been positive since 2010 and this is anticipated to continue into 2016 despite the anticipated deliveries.

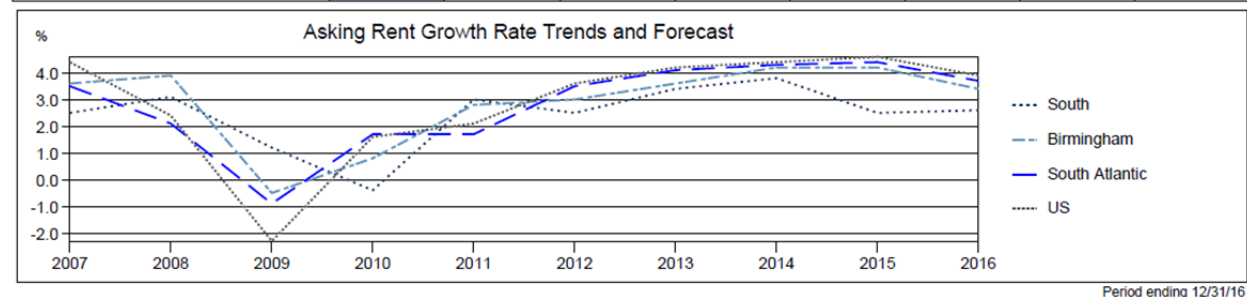
Rent Growth Comparisons

The chart on the following page (REIS, Inc.) compares the rent growth in the South submarket, the Birmingham market area, South Atlantic, and the United States markets.

Section 27 - Rent Growth Comparisons

		Asking Rent Growth						
		Quarterly			Annualized			
		2Q12	1Q12	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
		1.0%	0.2%	0.6%	3.0%	1.3%	1.9%	3.0%
South		0.9%	0.6%	0.8%	2.8%	1.0%	2.1%	3.7%
Birmingham		1.0%	0.5%	0.8%	1.7%	0.8%	1.6%	4.0%
South Atlantic		1.0%	0.5%	0.8%	2.1%	0.4%	1.6%	4.1%
United States								
Period Ending:		06/30/12	03/31/12	06/30/12	12/31/11	12/31/11	12/31/11	12/31/16

Submarket Rank Compared to:	Total Subs	Submarket Ranks						
		2Q12	1Q12	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
Birmingham	4	1	2	2	2	1	3	3
South Atlantic	243	108	160	148	32	74	84	190
United States	834	336	561	513	127	212	306	695



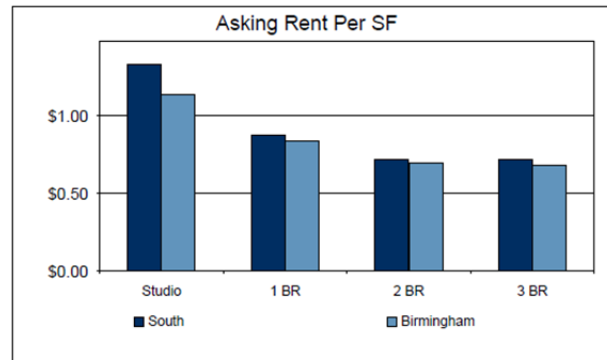
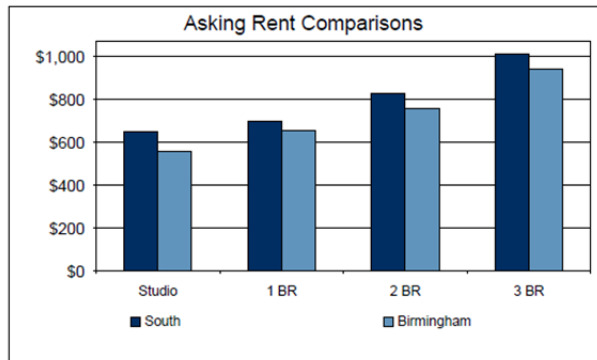
MARKET ANALYSIS (CONTINUED)

The YTD asking rent growth was positive in the submarket, and slightly below the metro, region and national data. On a one year annualized basis the submarket shows a higher positive rent growth. Reis projects that rents will increase 3.0% per year in their five year forecast, which is below the region and nation. **As it applies directly to the subject, we anticipate annual average rent growth in-line with Reis' estimates.**

Rent By Unit Mix

The following chart compares the submarket and metro area for average rents for various unit types.

Section 30 - Submarket Unit Mix Rent Details									
Current Submarket Average Rents and Sizes				Asking Rent Growth					
	2Q 2012			Quarterly			Annualized		
	Rent	Avg. SF	Avg. Rent PSF	2Q12	1Q12	YTD	1 Year	3 Year	5 Year
Studio/Efficiency	\$648	488	\$ 1.33	- 2.0%	3.3%	1.3%	3.6%	1.7%	0.3%
One Bedroom	\$696	794	\$ 0.88	- 0.7%	0.7%	0.0%	2.4%	1.1%	1.9%
Two Bedroom	\$828	1151	\$ 0.72	1.5%	- 0.1%	1.3%	3.4%	1.3%	1.9%
Three Bedroom	\$1,011	1415	\$ 0.71	2.6%	0.1%	2.7%	3.0%	1.3%	2.0%
Average over period ending:				06/30/12	03/31/12	06/30/12	12/31/11	12/31/11	12/31/11



	Studio	1 BR	2 BR	3 BR
South	\$648	\$696	\$828	\$1,011
Birmingham	\$557	\$652	\$755	\$939

As of 06/30/12

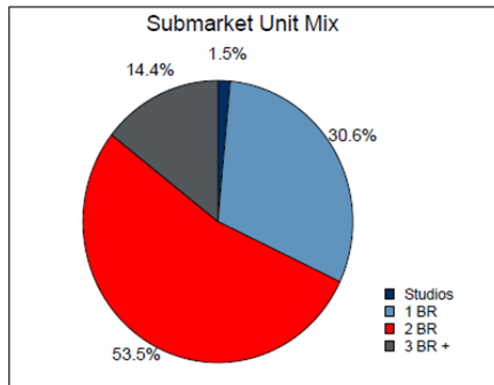
	Studio	1 BR	2 BR	3 BR
South	\$ 1.33	\$ 0.88	\$ 0.72	\$ 0.71
Birmingham	\$ 1.14	\$ 0.83	\$ 0.69	\$ 0.68

As of 06/30/12

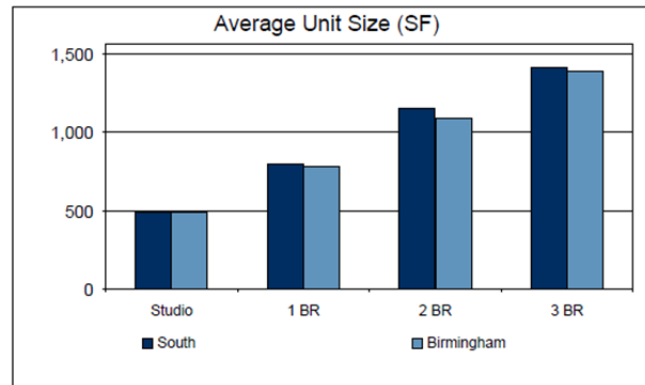
The rent levels in the submarket are higher than the Birmingham market area on both a per month and price per square foot basis. Recent rental trends have been generally increasing for all unit types with the exception of the two and three bedroom units YTD. As is shown above, the submarket outperforms the metro on a price per unit and price per square foot basis. This is attributed the desirability of the area in terms of employment centers, quality of the schools and surrounding supporting uses.

Supply Characteristics

The following charts illustrate the general unit mix and average unit size for the submarket and metro.



As of 06/30/12



As of 06/30/12

Inventory By Building Age

Year Built	Percent
Before 1970	4.0%
1970-1979	28.0%
1980-1989	26.0%
1990-1999	32.0%
2000-2009	11.0%
After 2009	0.0%
All	100.0%

As of 06/30/12

As is shown, the submarket is made up largely of two bedroom units, making up over 53% of the supply. Studio units make up the smallest percentage of the unit mix at 1.5%. Three bedroom units make the second smallest percentage of the overall unit mix 14.4%. Given the suburban nature of the submarket, the unit sizes are somewhat larger than units in the overall metro.

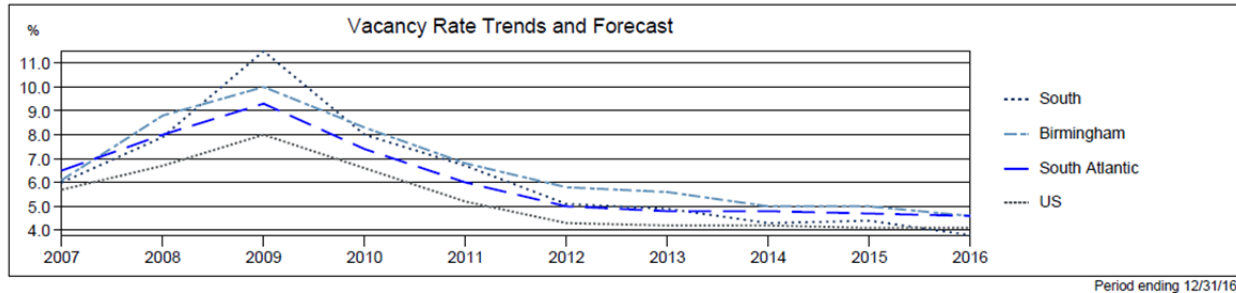
Vacancy Comparisons

The following chart compares the average vacancies in the submarket, metro market area, the South Atlantic, and the United States markets.

Section 29 - Vacancy Rate Comparisons

	Vacancy Rates						
	Quarterly			Annualized			
	2Q12	1Q12	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
South	5.5%	5.7%	5.6%	7.3%	8.5%	7.6%	4.5%
Birmingham	6.3%	6.6%	6.4%	7.5%	8.5%	7.6%	5.2%
South Atlantic	5.5%	5.7%	5.6%	6.7%	7.7%	7.3%	4.8%
United States	4.7%	4.9%	4.8%	5.9%	6.6%	6.4%	4.2%
Period Ending:	06/30/12	03/31/12	06/30/12	12/31/11	12/31/11	12/31/11	12/31/16

Submarket Rank Compared to:	Total Subs	Submarket Ranks						
		2Q12	1Q12	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
Birmingham	4	2	2	2	3	3	3	2
South Atlantic	243	143	142	142	161	163	145	116
United States	834	591	583	589	625	639	581	509



As noted in the chart above, the YTD average vacancy in the subject's submarket (5.6%) is slightly higher than the metro (6.4%), South Atlantic (5.6%) and United States (4.8%) market. Average market physical vacancy rates have been generally decreasing since 2009; rates are projected to remain stable and decreasing through 2016 to approximately 4.5% in the submarket.

Construction and Absorption

The following REIS, Inc. table displays the recent apartment construction in the subject's submarket. As noted, there have been no units delivered in the submarket within the last year. Absorption has been positive over the past year at 145 units.

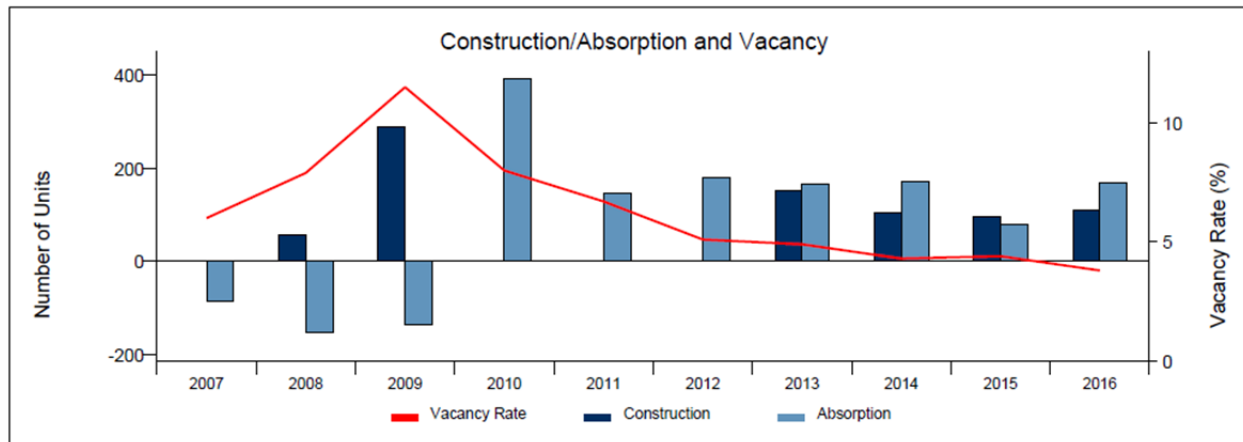
Section 34 - Construction/Absorption Change

Construction and Absorption

	Quarterly								
	2Q12			1Q12			YTD Avg		
	Units Built	Units Absorbed	Con/Abs Ratio	Units Built	Units Absorbed	Con/Abs Ratio	Units Built	Units Absorbed	Con/Abs Ratio
South	0	22	0.0	0	112	0.0	0	67	0.0
Birmingham	0	147	0.0	334	407	0.8	167	277	0.6
Average over period ending:	06/30/12	06/30/12	06/30/12	03/31/12	03/31/12	03/31/12	06/30/12	06/30/12	06/30/12

	Annualized								
	1 Year History			3 Year History			5 Year History		
	Units Built	Units Absorbed	Con/Abs Ratio	Units Built	Units Absorbed	Con/Abs Ratio	Units Built	Units Absorbed	Con/Abs Ratio
South	0	145	0.0	97	134	0.7	69	32	2.2
Birmingham	0	506	0.0	204	436	0.5	222	77	2.9
Average over period ending:	12/31/11	12/31/11	12/31/11	12/31/11	12/31/11	12/31/11	12/31/11	12/31/11	12/31/11

MARKET ANALYSIS (CONTINUED)



Period ending 12/31/16

Inventory growth has been flat with no from 2010-2012 and no planned or proposed construction in the submarket until 2013 thru 2016.

Following are recent or planned deliveries in the subject's submarket.

No.	Property Name and Address	Date As Of	Multi-Family Type	County	Total Size (Units)	Competitive Size (Units)	Est. Groundbreak	Est. Completion	Status
Submarket: South									
20	THE PRESERVE TOWN CENTER 616 PRESERVE PKWY @ VILLAGE GREEN WAY HOOVER, AL 35226	11-03-2011	Condominiums	JEFFERSON	100	0			Under Constr.
21	DOUGLAS DESCENDANTS TOWNHOMES 1870 PATTON CHAPEL RD @ FRANK AVE BIRMINGHAM, AL 35226	09-30-2011	Townhomes	JEFFERSON	80	0			Planned
22	GLENBROOK AT OXMOOR VALLEY PH II 2801 SYDNEY DR @ LAKESHORE PKY BIRMINGHAM, AL 35209	07-01-2011	Apartment	JEFFERSON	50	25			Planned
23	GLENBROOK AT OXMOOR VALLEY PH III 2801 SYDNEY DR @ LAKESHORE PKY BIRMINGHAM, AL 35209	07-01-2011	Apartment	JEFFERSON	50	25			Planned
24	DOUGLAS DESCENDANTS RESIDENTIAL 1870 PATTON CHAPEL RD @ FRANK AVE BIRMINGHAM, AL 35226	06-15-2012	Condominiums	JEFFERSON	236	0			Planned
25	THE VENUE LAKESHORE PKWY @ VENICE RD BIRMINGHAM, AL 35211	05-21-2012	Apartment	JEFFERSON	288	288			Planned
26	VILLAGE AT LAKESHORE CROSSINGS LAKESHORE PKWY @ LONDON PKWY BIRMINGHAM, AL 35211	04-04-2012	Apartment	JEFFERSON	264	264			Planned
27	ASHBY AT ROSS BRIDGE ROSS BRIDGE PKWY @ MELTON RD BESSEMER, AL 35022	01-13-2012	Apartment	JEFFERSON	250	250	1/2012		Under Constr.

There are currently eight projects recently completed/planned/under-construction within the South submarket. Three of the eight projects are condominium/townhome properties and thus these properties are not considered direct competition. The remaining five properties are planned and will provide direct competition with the subject.

DIRECTLY COMPETITIVE MARKET AREA

For purposes of this section, apartment complexes within the subject's market area will be analyzed. Emphasis is placed on facilities within proximity to the subject property. The following paragraphs discuss existing development (including projects under construction) and potential inventory will be analyzed. Demand will also be analyzed by examining vacancy and absorption rates.

SUPPLY

Existing Supply - The majority of existing supply in the subject's immediate market area was constructed between the 1970s and 1980s. The immediate area has an average to good appeal. The following chart presents the major apartment developments that are considered to be direct competitors.

VACANCY SURVEY				
Project Name	No. Units	No. Vacant Units	Vacancy %	Year Built
* Landmark at Magnolia Glen (Subj.)	1038	83	8.0%	1987
Riverchase Landing	468	23	4.9%	1985
Landmark at Deerfield Glen	320	49	15.3%	1982
Colonial Grand at Riverchase	345	3	0.9%	1989
Park at Galleria	459	28	6.1%	1975
Galleria Crossings	321	26	8.1%	1985
Total / Average	2,951	212	7.2%	NAP
*Adjusted Total / Average	1,913	129	6.7%	NAP

*Adjusted average excludes the subject

Source: Colliers International Valuation & Advisory Services

The subject's competitive set indicates an overall average vacancy rate of 6.7% (when excluding the subject) as of late May 2012. The subject is currently 7.7% vacant which management reported to be the low end of the typical range (92% – 95%). Most stabilized properties with proper management and ownership in place are reporting occupancies between 92% and 98%. Landmark at Deerfield Glen (fka Cedarbrook) was recently acquired and is in the process of transitioning to Landmark management. Although vacancy is somewhat high at the present time, in less than one month of new ownership/management, occupancy has increased significantly and the property reported being over 91% pre-leased.

In 2006 The Collins Group acquired six properties in Hoover and the adjacent Homewood, totaling 2,331 units. This single acquisition from Landmark increased The Collins' Group holdings to 5,000 units in Alabama. It was reported that in 2008, following the housing crisis, the properties suffered poor management and deferred maintenance issues. Two-German based banks filed to appoint a receiver for the properties to help recover the \$108M lent to The Collins Group. The two German banks had lent the money through Capmark Financial group. In 2009, according to an article in the Birmingham Business Journal, GE foreclosed on the six properties purchased by The Collins Group in 2006. At least four of the six properties would be considered to be direct comparables to the subject property without the deferred maintenance and management issues. In addition, their ownership and management issues had a significant negative impact on the market, artificially putting downward pressure on occupancy rates and prices per unit. However, at present, all of these assets have been acquired or are in-contract. Following proper ownership and management in place, we anticipate the submarket will see a significant increase in occupancy rates (in line with Reis' estimates) and also be able to achieve the rent growth forecast by Reis. This trend has already been seen at properties like the subject and Cedarbrook (now Landmark at Deerfield Glen). Cedarbrook was acquired in a note sale by the former owner. The property was subsequently renovated in excess of \$20K per unit and has been in the process of stabilization since mid-2012. Prior to being stabilized, the property was acquired by Landmark and was repositioned as Landmark Deerfield Glen. Situations like this are happening throughout Hoover and are having an overall positive impact on the local market in terms of occupancy and achievable rent. From an investment perspective, they are having a positive effect on per unit price points and are putting downward pressure on cap rates.

Vacancy in the subject's market area is anticipated to improve over the next year as the distressed assets in the immediate area get proper management or ownership in place and/or as relatively new management has time to correct prior poor management that occurred in the recession environment.

Concessions - The level of rental concessions being offered in a market area provides another indication of the level of demand for apartment units. Concessions in the local area have shown marked improvement from 2011 as distressed assets have been acquired and are stabilizing with proper management in-place. A few properties were offering concessions but they were relatively minimal concessions equal to \$100 to \$250 off of the first month's rent. Following full stabilization of the market we project that concessions will decrease and burn off nearly completely as there are no known projects being completed in the immediate area that would put pressure on existing properties to compete.

Additional Information

The following information was taken from an article in Multi-Housing News dated December 27, 2011, *Multifamily's Future in 2012*. "Thanks to a favorable combination of limited supply and demand edging up, market conditions for the multifamily sector are likely to be favorable in 2012. As well, the tepid market for home buying is likely to continue into 2012, further boosting rentals. Mark Obrinsky, chief economist at the National Multi Housing Council, notes, "The one wildcard probably is what exactly ends up happening in the Euro zone, whether we will see a breakup or some countries leaving the Euro, and what the consequences of that are. I don't think anyone is quite sure what the impact will be on the U.S. economy and U.S. financial markets." If the European debt issues don't have any further negative impact in the U.S., Obrinsky anticipates that, in the most likely scenario, the U.S. economy will continue to grow in the range of 2 percent to 2.5 percent in 2011. In this sort of modest growth scenario, there is not likely to be any major uptick in employment that will lead to high demand for multifamily rentals. However, the sector will still benefit from demographic factors. According to Ron Witten, president of Witten Advisors, young adults in the age group of 20 to 34, the prime cohort for renting, have been holding their own in the job market. "The data suggests that somewhere over 60 percent of the jobs created in 2010 and 2011 have been 20- to 34-year-olds going to work. That's very good news for the apartment sector," Witten says. He expects to see absorption of about 150,000 multifamily rental units nationwide in 2012."

"Obrinsky notes that vacancy rates are no longer at the high levels they were a year or two ago, and there's reason to believe they will decline further in 2012. While this will generally be favorable for rents, some metro areas that have seen big rent increases so far may see that slowing down. However, Obrinsky expects that areas in which rent increases have been nominal may see higher growth in rents."

"Given the favorable fundamentals for the sector, investors are likely to continue to be interested in multifamily properties next year. However, Green has seen multifamily properties trading at "very expensive prices" in 2011 and doesn't know if that will be sustainable in 2012. Obrinsky, too, believes that favorable multifamily fundamentals are already reflected in prices to some extent."

Summary of Market Analysis

In general, the apartment market is outperforming other asset types in the recession. Apartment properties have benefited from foreclosure action and general lacking consumer confidence with respect to the housing market. This takes a significant percentage of the would-be home owners and makes them prospective tenants. This has helped the multifamily market rebound quickly, experiencing high levels demand, pushing up rental rates and occupancy levels. In addition, despite the sharp up-tick in demand, lending for new construction has not kept-pace, leaving developers on the sidelines. This decrease in new construction has also helped existing properties maintain increases in rental rates along with increases in occupancy levels.

Continued availability of favorable financing will drive multifamily investments throughout 2012. However, given the significant cap rate suppression in 2011 due to anticipated rental rate increases and increased occupancies, rates could creep up somewhat in 2012 as increases in rates and occupancies slow.

The Birmingham apartment market Demand has been strong since 2010, vacancy has dropped significantly, and rents see substantial gains and development, following a brief pause, has again picked up. Indeed, announcements for new projects were made as recently as April. With 218 units of net absorption alongside no new completions, vacancy ended the first quarter of 2012 at 6.3%, down 50 basis points for the quarter, down 200 year-over-year. With 58 units of positive absorption, vacancy changed little in April. Rent growth picked up substantial velocity last year. Gains should continue. At \$735 and \$695 per month, asking and effective averages for the first quarter of 2012 were up 0.6% and 1.0% for the quarter, following respective increases of 2.8% and 3.2% through 2011. Each rate saw a 0.3% gain in April with additional growth forecast.

The South apartment market appears to be faring well as there was not the significant over-building that was seen in some markets. Particularly within the City of Hoover, this is largely attributed to zoning regulations that did not foster a development atmosphere, restricting the densities to relatively low levels as compared to other prosperous submarkets of other major metros. The South submarket is an established submarket that is made up of primarily of either 2000s vintage Class A product that are located in the perimeter of the established area, Class C assets that are either aging or distressed and Class B and C assets that have been redeveloped following distress. There are some additional units planned but absorption is anticipated to remain positive through 2016 but minimal rent growth for stabilized and well maintained assets is forecast. **The Jefferson County bankruptcy filings could have a positive impact on demand for rental units in the area as there is potential for flight from Jefferson County as water and sewer costs increase in the coming years.**

HIGHEST & BEST USE ANALYSIS

The highest and best use of an improved property is defined as that reasonable and most probable use that will support its highest present value. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive. The highest and best use concept is based upon traditional appraisal theory and reflects the attitudes of typical buyers and sellers who recognize that value is predicated on future benefits. This theory is based upon the wealth maximization of the owner, with consideration given to community goals. A use which does not meet the needs of the public will not meet the above highest and best use criteria.

In keeping with proper appraisal theory, the analysis will begin by analyzing the subject as though it is vacant without any consideration given to the existing improvements. Following this section, an analysis of the existing improvements will be considered.

AS-VACANT ANALYSIS

Legally Permissible

The legal factors that possibly influence the highest and best use of the subject site are discussed in this section. Private restrictions, zoning, building codes, historic district controls, and environmental regulations are considered, if applicable to the subject site. The subject site is zoned Multifamily (R-4). This zoning permits residential developments with a density of 7 units per acre. The potential use that meets the requirements of the legal permissibility test is residential development.

Physically Possible

The test of physical possibility addresses the physical characteristics associated with the site that might affect its highest and best use. The subject site has been previously discussed. In summary, the site is hilly with average access and average exposure. The subject is surrounded by residential and commercial uses, as well as vacant land. Given the subject's location and surrounding uses, the subject site is desirable for residential development. Although a mixed-use area, residential is the predominant land use with various retail and commercial uses along primary arterials. The appraisers are aware of no physical limitations on development of the subject site with any of the uses permitted by the subject's zoning.

Financially Feasible

The financial feasibility of those uses that meet the legal and physical tests discussed is analyzed further in this section. Supply and demand conditions affect the financial feasibility of possible uses. Indicators of feasibility, which typically indicate favorable or non-favorable supply and demand conditions, include construction financing and proposed projects. With consideration of current economic conditions, development is considered feasible at this time. Overall construction costs have come down over the past three years despite increases in the cost of raw materials and stabilized occupancy levels are achievable for well managed and maintained assets.

Maximally Productive

The final test of maximum productivity is now applied to the uses that have passed the first three tests. Of the physically possible uses for the site, a residential use is the only use consistent with the surrounding uses and is the most likely use of the site. Positive absorption trends, lack of recent and planned competitive development, increasing occupancy rates and generally increasing rental rates over the long term would make construction feasible at this time if land acquisition costs were low enough to provide an adequate return. Therefore, the highest and best use as-vacant is to develop with multifamily apartments.

AS-IMPROVED ANALYSIS

Legally Permissible

The legal factors influencing the highest and best use of the subject property are primarily governmental regulations such as zoning and building codes. The subject's improvements were constructed in 1985-1996 and the subject site is zoned Multifamily (R-4). The subject is considered a legal, non-conforming use based density and parking.

Physically Possible

The physical and location characteristics of the subject improvements have been previously discussed in this report. The project is of average quality construction and in good condition, with adequate service amenities. Therefore, the property as improved, meets the physical and location criteria as the highest and best use of the property.

Alternative Uses and Market Feasibility

In addition to legal and physical considerations, analysis of the subject property as-improved requires the treatment of two important issues: 1) consideration of alternative uses for the property; and 2) the marketability of the most probable use. In the following analysis, alternative uses are treated first, followed by a marketability analysis. The five possible alternative treatments of the property are demolition, expansion, renovation, conversion, and continued use "as-is". In analyzing an improved property, the five options above are evaluated considering physical, legal, financial feasibility, and marketability criteria. Each of the options is discussed briefly.

- **Demolition** - The subject improvements contribute significant value above the current land value. Therefore, demolition is not applicable in this case.
- **Expansion** - The subject property comprises approximately 99.89 acres (4,351,145 SF) and is improved with an apartment complex. The subject site does not contain additional site area for expansion; therefore, expansion of the subject is not considered a viable option.
- **Renovation** - The subject property is approximately 27-years old but has undergone recent substantial renovation and is in good condition. Further renovation, in the form of capital expenditures, would not increase the rent levels or value appreciably. For this reason, further renovation is not appropriate.
- **Conversion** - Conversion is neither appropriate nor applicable to this property.
- **Continued Use "As-Is"** - The final option is the continued use of the property "As-Is." This is legal, physically possible, and financially feasible. Therefore, continued use, an apartment complex is considered appropriate.

Among the five alternative uses, continued use as an apartment complex is the Highest and Best Use of the subject property.

Marketability

As previously indicated in the Local Neighborhood Analysis and Market Analysis sections of this report, the subject property has average to good average marketability attributed to the desirable location and recent renovation. However, there are several other (distressed) assets available in the market that could potential provide a superior return. This is the reason for the 'average to good' rating.

Conclusion

Legal, physical, and market considerations have been analyzed to evaluate the highest and best use of the property. This analysis is presented to evaluate the type of use that will generate the greatest level of future benefits possible from the property. The highest and best use of the subject property as-improved is concluded to be continued multifamily use.

VALUATION METHODS

The following presentation of the appraisal process deals directly with the valuation of the subject property. The following paragraphs describe the standard approaches to value that were considered for this analysis.

Site Valuation

Development land in the subject marketplace is most often valued utilizing the Sales Comparison Approach. Development of the subject site value is not a specific scope requirement of this assignment. Characteristics specific to the subject property do not warrant that a site value is developed. Therefore, this appraisal does not provide valuation of the subject site.

Cost Approach

The Cost Approach is based upon the principle that the value of the property is significantly related to its physical characteristics, and that no one would pay more for a facility than it would cost to build a like facility in today's market on a comparable site. In this approach, the land value is estimated via the Sales Comparison Approach. The resulting land value is added to the estimated depreciated replacement cost new of the improvements to reach the Cost Approach conclusion. For investment properties, this valuation technique is most often relied upon as a test of financial feasibility for proposed construction.

Development of the Cost Approach is not a specific scope requirement of this assignment. Characteristics specific to the subject property do not warrant that this valuation technique is developed. The Cost Approach has limited applicability due to the age of the improvements and lack of market based data to support an estimate of accrued depreciation. Knowledgeable buyers and sellers typically do not rely on this valuation technique for income-producing properties similar to the subject. Based on the preceding information, the Cost Approach will not be presented.

Sales Comparison Approach

The Sales Comparison Approach is based on the principle of substitution, which asserts that no one would pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by adjusting them to the subject property for varying physical, location and market characteristics in order to bracket the subject property on an appropriate unit value comparison. In active markets with sufficient applicable comparable, this approach is an accurate measure of value that may best reflect market behavior. Alternatively, this approach may offer limited reliability because many properties have unique characteristics that cannot be accounted for in the adjustment process.

Development of the Sales Comparison Approach is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that this valuation technique is developed. Sufficient sales data is available to provide a credible value estimate by the Sales Comparison Approach. Based on this reasoning, the Sales Comparison Approach is presented within this appraisal.

Income Approach

The Income Approach is based on the premise that properties similar to the subject are income producing, and that investors purchase these properties based upon their income-producing ability. In the Income Approach, market rents for the subject property are estimated, the applicable operating expenses are deducted, and the resulting net income is capitalized into a value estimate. The Income Approach is based on an analysis of information extracted from the market, and provides a comparison of the subject to properties of similar character and income-producing ability.

Development of the Income Approach is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that this valuation technique is developed. The subject is an investment property; therefore, the Income Approach represents the decision making process of knowledgeable buyers and sellers of this property type. The Direct Capitalization method is used in this analysis. Discounted Cash Flow analysis does not contribute substantially to estimating value beyond the direct capitalization method and is not used in this analysis.

Analysis of Value Conclusions

The approaches used to value the subject property will be reconciled into a final opinion of market value in the Analysis of Value Conclusions section.

Additional value scenarios presented subsequent to the Analysis of Value Conclusions include: Insurable Replacement Cost.

SALES COMPARISON APPROACH

This approach is based on the principle of substitution. This principle states that no one would pay more for the subject property than the value of similar properties in the market. In active markets with a large number of sales that are physically similar comparables, this approach is generally a good indicator of value. Reflecting market behavior, the market value of the subject property will be estimated by comparing improved sales to the subject property on a price per unit basis.

We have also include the Effective Gross Income Multiplier (EGIM) Method which is derived by dividing the effective gross annual income of each comparable into the sales price. The EGIM has the advantages of simplicity and easy calculation. It is based on the premise that rents and sales prices move in the same direction and, essentially, in the same proportion as do net income and sales prices. The EGIM is typically used without adjustments. The final selection of an effective income multiplier is based upon the applicability of each comparable and a range is established.

Selection of Comparables

The comparable sales are presented on the Sales Comparable Summation Table. The sales were selected based on the date of the transactions as well similarities in location and quality. Although the comparables vary in terms of age, condition, size, design, appeal, and amenities, they represent the most similar, recent, comparables available for analysis. Comparables in the subject's market area or in similar areas throughout the region are used in this analysis, well bracket the subject, and give support to the value conclusion.

It should be noted that the subject property represents a unique situation in that it is a Class B+ asset that has been completely renovated in a market with an abundance of Class C distressed assets or newer vintage Class A assets that have recently transacted. **The distressed assets were predominantly owned by one group (Collins Group), artificially making the market appear depressed. For the most part, distressed assets or assets that were distressed in the recent past typically sell with poor or limited operating history and often with significant deferred maintenance. As such, investors are more conservative in the acquisition as there are typically many unknown attributes but the upside potential is typically great.** The comparables utilized are considered to bracket the subject in terms of market potential.

Presentation

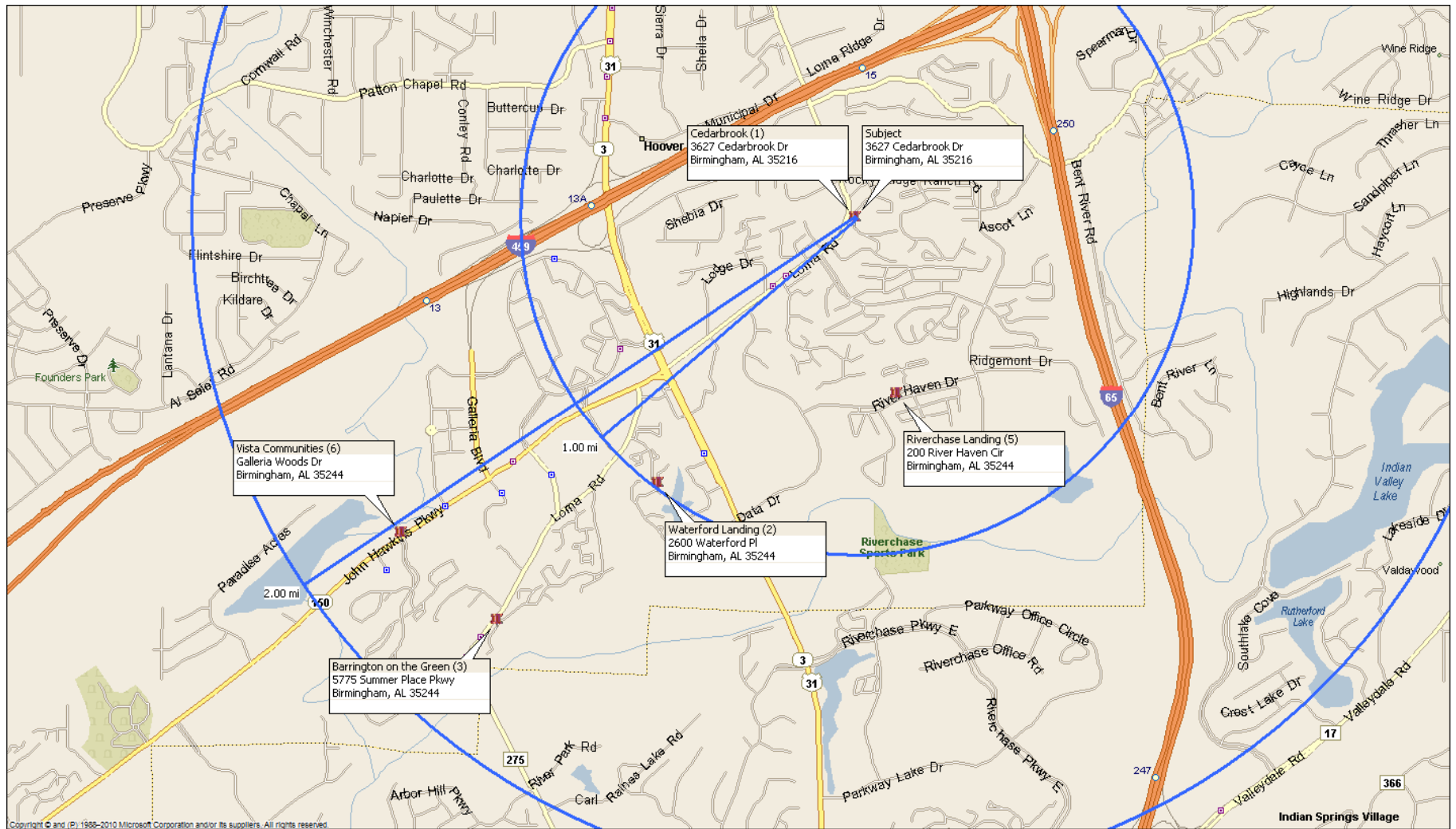
In the following analysis, the physical differences and similarities between the subject property and the comparables will be discussed. Following the Sale Comparable Summation Table, Location Map and Datasheets, a discussion of the price per unit method will be presented.

SALES COMPARABLE SUMMATION TABLE

	Transaction Date	No. Units	Avg. Unit SF	Exp. %	NOI per	Price per	Cap.	GIM
Comparable 1	Analysis Price	Built	Occup. %	GI/EGI	(Unit / SF)	(Unit / SF)	Rate	EGIM
Cedarbrook	6/29/12	320	1,030	48%	\$4,964	\$65,469	7.6%	5.9
3627 Cedarbrook Dr	\$20,950,000	1982	90%	52%	\$4.82	\$64		6.4
Hoover, AL								
Comparable 2								
Waterford Landing	6/8/12	220	999	46%	\$4,269	\$65,682	6.5%	6.7
2600 Waterford Place	\$14,450,000	1990	93%	51%	\$4.27	\$66		7.5
Birmingham, AL								
Comparable 3								
Barrington on the Green	3/29/12	342	1,157	-	-	\$83,333	-	-
5775 Summer Place Parkway	\$28,500,000	1996	97%	-	-	\$72		-
Hoover, AL								
Comparable 4								
Wellington Manor	3/22/12	312	1,130	41%	\$4,760	\$70,513	6.8%	7.3
1500 Windsor Court	\$22,000,000	1997	97%	45%	\$4.21	\$62		8.1
Alabaster, AL								
Comparable 5								
Riverchase Landing	1/3/12	468	1,562	45%	\$4,527	\$60,363	7.5%	6.0
200 River Haven Circle	\$28,250,000	1991	95%	50%	\$2.90	\$39		6.7
Hoover, AL								
Comparable 6								
Vista Communities (3	12/1/11	696	1,092	42%	\$5,151	\$76,509	6.7%	7.1
381 Galleria Woods Dr	\$53,250,000	1994-	95%	47%	\$4.72	\$70		7.9
		2001						
Hoover, AL								



SALES COMPARISON APPROACH (CONTINUED)



*The map above highlights the 5 of 6 comparables located within 2 miles of the subject

IMPROVED SALES DATA SHEETS

CEDARBROOK

Location Information

Address: 3627 Cedarbrook Dr
 City, State: Hoover, AL 35216
 APN: 40-18-2-0-26.000-RR-00

Sale Information

Buyer: Mountain Head Partners
 Seller: Landmark at Deerfield Glen
 Negotiation Date: 5/1/12
 Transaction Date: 6/29/12
 Transaction Price: \$16,750,000
 Analysis Price: \$20,950,000
 Recording Number: None available
 Rights Transferred: Leased Fee
 Down Payment: \$6,050,000
 Financing: \$13,200,000
 Conditions of Sale: Not actively marketed
 Marketing Time: Not On Market

Physical Information

Project Design: Garden
 No. of Units: 320
 Year Built: 1982
 Project Size(NRA): 329,740
 Average Unit Size(SF): 1,030
 Rent Type: Market
 Project Amenities: Tennis, pool, clubhouse, exercise facilities, spa, business center, playground, laundry, picnic areas, dog area
 Unit Amenities: W/D hookups, A/C, renovated units
 Security Features: Perimeter fence, security patrol, exterior lighting, dead bolts
 Parking: Open - 626
 Parking Ratio: 1.96 spaces/unit
 Building Construction: Wood frame, Vinyl exterior, Composition asphalt roof
 Quality: Average
 Condition / Appeal: Good / Good
 Site Size: 24.70 (1,075,932 SF)
 Density (units/acre): 13.0
 Zoning: R-4

Unit Mix Information

Description	No. Units	Avg. Size	Beds/Baths
Flat	100	1,020	2 bd/1 ba
Flat	60	1,073	2 bd/2 ba
Flat	80	716	1 bd/1 ba
Flat	80	1,326	3 bd/2 ba



Apartment Sale 1

Operating Income

ID# 11057

		Per Unit	Per SF
Rent Income:	\$3,017,236	\$9,429	\$9.15
Other Income:	<u>\$555,435</u>	\$1,736	\$1.68
Gross Income:	\$3,572,671	\$11,165	\$10.83
Vacancy & Credit Loss:	<u>(\$276,494)</u>	8%	
Effective Gross Income:	\$3,296,177	\$10,301	\$10.00
Expenses:	<u>(\$1,707,686)</u>	(\$5,337)	(\$5.18)
Net Operating Income:	<u>\$1,588,491</u>	\$4,964	\$4.82
Occupancy at Sale:	90%		
Expense % of GI / EGI:	48%	52%	
Income Source:	Buyer's Pro Forma		
Expense Source:	Buyer's Pro Forma		

Analysis Information

Price per Unit / SF:	\$65,469	\$63.53
Capitalization Rate:	7.58%	
GIM / EGIM:	5.90	6.40
Equity Dividend Rate:	26.26%	

Confirmation

Name: Christine DeFilippis
 Company: Landmark Residential
 Source: Confidential
 Phone No. / Date: 561.745.8545 8/6/12

Remarks

This represents the sale of Cedarbrook Apartments in Hoover, AL. The property was formerly owned by the Collins Group which foreclosed on the asset. The sellers acquired the property via a note sale in August 2010 for \$5.8M, or \$18,125 per unit. They completely renovated the property through 2010/2011, spending over \$7M, or \$22,701 per unit. At the time of this sale in 2012, the property had been nearly completely renovated. Renovations included all roofs, appliances, HVAC, water heaters, painted cabinets, new counter tops, interior plumbing, new vinyl siding as needed, doors, fixtures, flooring, etc. The clubhouse and amenities were also renovated. The buyer plans to spend \$1.2M in further upgrades to the clubhouse and property. We adjusted the purchase price up for this as well due to the below market transaction (\$3M). The below market transaction was attributed to it trading off-market and the sellers had achieved their desired return and were looking to free up capital for other investments. The financials are based on the buyer's Year 3 pro forma and include physical vacancy at 7% and reserves for replacement at \$250 per unit.

WATERFORD LANDING

Location Information

Address: 2600 Waterford Place
 City, State: Birmingham, AL 35244
 APN: 39-24-2-000-001.007-RR-00, 39-24-1-000-001.007-RR-00

Sale Information

Buyer: Providence Investments LLC
 Seller: Engel Realty Company Inc.
 Negotiation Date: 5/8/12
 Transaction Date: 6/8/12
 Transaction Price: \$14,450,000
 Analysis Price: \$14,450,000

Rights Transferred: Fee Simple
 Down Payment: \$2,890,000
 Financing: Cash to Seller
 Conditions of Sale: Arms Length



Apartment Sale 2

Physical Information

Project Design: Garden
 No. of Units: 220
 Year Built: 1990
 Project Size(NRA): 219,724
 Average Unit Size(SF): 999
 Rent Type: Market
 Project Amenities: Tennis, pool, clubhouse, exercise facilities, business center, basketball, covered parking and garages
 Unit Amenities: W/D hookups, fireplace, A/C, private balcony or patio, energy efficient construction and vaulted ceilings
 Security Features: Exterior lighting, dead bolts
 Parking: Open, carport, garage, total number of parking spaces was unavailable
 Parking Ratio:
 Building Construction: Wood frame, Vinyl exterior, Shingled roof
 Quality: Good
 Condition / Appeal: Average/Good / Average/Good
 Site Size: 4.06 (176,854 SF)
 Density (units/acre): 54.2
 Zoning: PR-2

Unit Mix Information

Description	No. Units	Avg. Size	Beds/Baths
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Operating Income

ID# 10749

		Per Unit	Per SF
Rent Income:	\$2,143,611	\$9,744	\$9.76
Other Income:	\$0	\$0	\$0.00
Gross Income:	\$2,143,611	\$9,744	\$9.76
Vacancy & Credit Loss:	(\$214,361)	10%	
Effective Gross Income:	\$1,929,250	\$8,769	\$8.78
Expenses:	(\$990,000)	(\$4,500)	(\$4.51)
Net Operating Income:	\$939,250	\$4,269	\$4.27
Occupancy at Sale:	93%		
Expense % of GI / EGI:	46%	51%	
Income Source:	Mrkt. Projection by Appraiser		
Expense Source:	Mrkt. Projection by Appraiser		

Analysis Information

Price per Unit / SF:	\$65,682	\$65.76
Capitalization Rate:	6.50%	
GIM / EGIM:	6.70	7.50
Equity Dividend Rate:	32.50%	

Confirmation

Name:	David Oakley
Company:	Hendricks & Partners
Source:	Seller's Broker
Phone No. / Date:	205.918.0785 6/21/12

Remarks

This is a 220 unit apartment community located in Birmingham, Jefferson County, Alabama within the Birmingham MSA. The property is three stories and unit amenities are standard. The property was built in 1990 and appears to be in good condition and features covered and detached garage parking. The property features six floor plans. Verification was provided by David Oakley with Hendricks & Partners and cross referenced with Costar. The property sold in June 2012 for \$14,450,000 or \$65,682 per unit. Costar indicated an overall capitalization rate of 6.50% based on actual income; however, no financials or additional confirmation was provided. We included expenses at \$4500 per unit which would be adequate to include \$250 per unit for reserves for replacement. We included economic vacancy at 10%.

BARRINGTON ON THE GREEN

Location Information

Address: 5775 Summer Place Parkway
 City, State: Hoover, AL 35244
 APN: 39-24-3-000-008.000-RR-00, 39-24-3-000-002.000-RR-01, 39-24-2-000-001.008-RR-03

Sale Information

Buyer: Somerset Partners LLC
 Seller: Barrington on the Green
 Negotiation Date: 2/29/12
 Transaction Date: 3/29/12
 Transaction Price: \$28,500,000
 Analysis Price: \$28,500,000

Rights Transferred: Fee Simple
 Down Payment: \$28,500,000
 Financing: Cash to Seller
 Conditions of Sale: Arms Length
 Marketing Time: 74 Day(s)

Physical Information

Project Design: Garden
 No. of Units: 342
 Year Built: 1996
 Project Size(NRA): 395,634
 Average Unit Size(SF): 1,157
 Rent Type: Market
 Project Amenities: Tennis, pool, clubhouse, exercise facilities, business center, basketball, laundry, sports court, remote access detached garages
 Unit Amenities: W/D hookups, fireplace, A/C, select units have been renovated and include double vanity, crown molding and custom bookshelves
 Security Features: Exterior lighting, dead bolts
 Parking: Open, total number of parking spaces was unavailable
 Building Construction: Wood frame, Hardiplank exterior, Shingled roof
 Quality: Good
 Condition / Appeal: Good / Good
 Site Size: 28.67 (1,248,865 SF)
 Density (units/acre): 11.9
 Zoning: PR2

Unit Mix Information

Description	No. Units	Avg. Size	Beds/Baths
Flat	66	894	1 bd/1 ba
Flat	91	1,103	2 bd/1 ba
Flat	91	1,179	2 bd/2 ba
Flat	94	1,372	3 bd/2 ba



Apartment Sale 3

Operating Income

ID# 10748

Per Unit Per SF

Occupancy at Sale: 97%

Analysis Information

Price per Unit / SF: \$83,333 \$72.04

Confirmation

Name: David Oakley
 Company: Hendricks & Partners
 Source: Seller's Broker
 Phone No. / Date: 205.918.0785 6/21/12

Remarks

This is a 342 unit apartment community located in Hoover, Jefferson County, Alabama within the Birmingham MSA. The property is three stories and unit amenities are standard. The property was built in 1996 and appears to be in good condition. The property features four floor plans. Verification was provided by David Oakley with Hendricks & Partners. The exact nature of the sale was not known. The property sold in April 2012 for \$28,500,000 or \$83,333 per unit. Reportedly, the building was in good condition and there were no conditions to the sale. The seller's motivation was described as standard portfolio management. The buyer stated on its web site that they will execute a value-add interior renovation, and went on to describe the property as a high-profile facility located in a good school district with strong employment demand.

WELLINGTON MANOR

Location Information

Address: 1500 Windsor Court
 City, State: Alabaster, AL 35007
 APN: 13-7-25-4-000-011-003

Sale Information

Buyer: Wellington Manor 2012, LLC
 Seller: Wellington Manor Apartments
 Negotiation Date: 1/23/12
 Transaction Date: 3/22/12
 Transaction Price: \$22,000,000
 Analysis Price: \$22,000,000

Rights Transferred: Fee Simple

Financing: Cash to Seller
 Conditions of Sale: Arms Length
 Marketing Time: 853 Day(s)

Physical Information

Project Design: Garden
 No. of Units: 312
 Year Built: 1997
 Project Size(NRA): 352,712
 Average Unit Size(SF): 1,130
 Rent Type: Market
 Project Amenities: Tennis, pool, clubhouse, exercise facilities, business center, playground, laundry, car wash area and on site storage
 Unit Amenities: W/D hookups, A/C, private patio and balcony
 Security Features: Exterior lighting, dead bolts, sprinkler system and smoke alarms
 Parking: Open, total number of parking spaces was unavailable
 Parking Ratio:
 Building Construction: Wood frame, Vinyl exterior, Shingled roof
 Quality: Good
 Condition / Appeal: Average / Good
 Site Size: 20.35 (886,446 SF)
 Density (units/acre): 15.3
 Zoning: MultiFamily

Unit Mix Information

Description	No. Units	Avg. Size	Beds/Baths
Flat	104	895	1 bd/1 ba
Flat	144	1,215	2 bd/2 ba
Flat	64	1,323	3 bd/2 ba



Apartment Sale 4

Operating Income

ID# 10747

		Per Unit	Per SF
Rent Income:	\$3,000,000	\$9,615	\$8.51
Other Income:	\$0	\$0	\$0.00
Gross Income:	\$3,000,000	\$9,615	\$8.51
Vacancy & Credit Loss:	(\$300,000)	10%	
Effective Gross Income:	\$2,700,000	\$8,654	\$7.65
Expenses:	(\$1,215,000)	(\$3,894)	(\$3.44)
Net Operating Income:	\$1,485,000	\$4,760	\$4.21
Occupancy at Sale:	97%		
Expense % of GI / EGI:	41%	45%	
Income Source:	Actual		
Expense Source:	Mrkt. Projection by Appraiser		

Analysis Information

Price per Unit / SF:	\$70,513	\$62.37
Capitalization Rate:	6.75%	
GIM / EGIM:	7.30	8.10

Confirmation

Name: David Oakley
 Company: Hendricks & Partners
 Source: Seller's Broker
 Phone No. / Date: 205.918.0785 6/21/12

Remarks

This is a 312 unit apartment community located in Alabaster, Shelby County, Alabama within the Birmingham MSA. The property is three stories and unit amenities are standard. The property was built in 1997 and appears to be in average condition. The property features three floor plans. Verification was provided by David Oakley with Hendricks & Partners and cross referenced with Costar. The buyer plans capital improvements in the amount of \$300,000 to \$400,000 which will include roofing, interiors and other elements to boost the performance of the asset. The new ownership expects to see an NOI increase of approximately \$50,000 in the first year, moving the cap rate from a 6.75% to close to 7%. The location and the belief that revenues can be increased were the main motivations for acquiring the asset. Reportedly, at the time of the sale, there were no credits, conditions, 1031 exchanges, or deferred maintenance that affected the sale price. The property sold in March 2012 for \$22,000,000 or \$70,513 per unit as recorded per instrument number 20120322000100060 of the Shelby County official records. Expenses were estimated at 45% and Vacancy and credit loss was estimated at 10% and are reflective of market.

RIVERCHASE LANDING

Location Information

Address: 200 River Haven Circle
 City, State: Hoover, AL 35244
 APN: 40-18-3-000-004.004-RR-00, 40-19-2-000-002.001-RR-01, 40-18-3-000-005.000-RR-01

Sale Information

Buyer: Colony Hills Capital
 Seller: GE
 Negotiation Date: 9/30/11
 Transaction Date: 1/3/12
 Transaction Price: \$28,250,000
 Analysis Price: \$28,250,000

Rights Transferred: Fee Simple

Financing: Typical
 Conditions of Sale: REO



Apartment Sale 5

Physical Information

Project Design: Garden
 No. of Units: 468
 Year Built: 1991
 Project Size(NRA): 730,840
 Average Unit Size(SF): 1,562
 Rent Type: Market
 Project Amenities: Pool, clubhouse, exercise facilities, laundry
 Unit Amenities: W/D hookups, A/C
 Security Features: Exterior lighting, dead bolts
 Parking: Open

Building Construction: Wood frame, Brick exterior, Composition asphalt roof

Quality: Average
 Condition / Appeal: Average / Good
 Site Size: 45.16 (1,967,170 SF)
 Density (units/acre): 10.4
 Zoning: PR2

Unit Mix Information

Description	No. Units	Avg. Size	Beds/Baths
Flat	80	1,900	2 bd/2.5 ba
Flat	32	1,070	1 bd/1.5 ba
Flat	48	1,310	2 bd/2 ba
Flat	48	1,390	2 bd/2 ba
Flat	80	1,475	2 bd/2 ba
Flat	60	1,520	2 bd/2 ba
Flat	30	1,780	2 bd/2 ba
Flat	30	1,520	3 bd/2 ba
Flat	60	1,780	3 bd/2 ba

Operating Income

ID# 10550

		Per Unit	Per SF
Rent Income:	\$4,694,167	\$10,030	\$6.42
Other Income:	\$0	\$0	\$0.00
Gross Income:	\$4,694,167	\$10,030	\$6.42
Vacancy & Credit Loss:	(\$469,416)	10%	
Effective Gross Income:	\$4,224,751	\$9,027	\$5.78
Expenses:	(\$2,106,000)	(\$4,500)	(\$2.88)
Net Operating Income:	\$2,118,751	\$4,527	\$2.90
Occupancy at Sale:	95%		
Expense % of GI / EGI:	45%	50%	
Income Source:	Broker's Estimate		
Expense Source:	Mrkt. Projection by Appraiser		

Analysis Information

Price per Unit / SF:	\$60,363	\$38.65
Capitalization Rate:	7.50%	
GIM / EGIM:	6.00	6.70

Confirmation

Name: Jimmy Adams
 Company: Southeast Apartment Partners

Phone No. / Date: 205.414.7460 11/21/11

Remarks

This transaction was an REO deal. GE sold the property to a firm out of Connecticut, Colony Hills Capital. The asset was renovated but unit interiors are still somewhat dated. There are 26, two-story buildings. The property had been in receivership so it was stabilized at the time of sale. It is our understanding that this was a market-rate transaction despite the REO status. There were no brokers involved in the transaction but several active local market participants confirmed the transaction. A mid-7.0% cap rate was quoted and was utilized here. The average unit size is large at 1,562 square feet which enables the property to command higher rent on a per unit basis than most other competitive properties in the area. This was a contributor to the low cap rate despite lacking complete renovation.

VISTA COMMUNITIES (3 PROPERTIES)

Location Information

Address: 381 Galleria Woods Dr
 City, State: Hoover, AL 35244
 APN: Multiple

Sale Information

Buyer: GE Capital
 Seller: Vista Communities Venture, LLC

Transaction Date: 12/1/11
 Transaction Price: \$53,250,000
 Analysis Price: \$53,250,000
 Recording Number: See notes
 Rights Transferred: Fee Simple
 Down Payment: \$0
 Financing: Typical Market
 Conditions of Sale: REO
 Marketing Time: 6 Month(s)

Physical Information

Project Design: Garden
 No. of Units: 696
 Year Built: 1998
 Project Size(NRA): 760,044
 Average Unit Size(SF): 1,092
 Rent Type: Market
 Project Amenities: Tennis, pool, clubhouse, exercise facilities, spa, business center, playground, basketball, laundry, picnic areas, dog areas
 Unit Amenities: W/D hookups, W/D in Unit, A/C
 Security Features: Guarded gate, perimeter fence, security patrol, exterior lighting, dead bolts
 Parking: Open, Asphalt, average condition for vintage
 Parking Ratio:
 Building Construction: Wood frame, Vinyl exterior, Composition asphalt roof
 Quality: Average/Good
 Condition / Appeal: Average/Good / Good
 Site Size: 0.00 (0 SF)
 Density (units/acre): 0.0
 Zoning: Multifamily



Apartment Sale 6

Operating Income

ID# 11075

		Per Unit	Per SF
Rent Income:	\$7,150,000	\$10,273	\$9.41
Other Income:	<u>\$313,200</u>	\$450	\$0.41
Gross Income:	\$7,463,200	\$10,723	\$9.82
Vacancy & Credit Loss:	<u>(\$746,320)</u>	10%	
Effective Gross Income:	\$6,716,880	\$9,651	\$8.84
Expenses:	<u>(\$3,132,000)</u>	(\$4,500)	(\$4.12)
Net Operating Income:	<u>\$3,584,880</u>	\$5,151	\$4.72
Occupancy at Sale:	95%		
Expense % of GI / EGI:	42%	47%	
Income Source:	Broker's Estimate		
Expense Source:	Broker's Estimate		

Analysis Information

Price per Unit / SF:	\$76,509	\$70.06
Capitalization Rate:	6.73%	
GIM / EGIM:	7.10	7.90

Confirmation

Name: Jimmy Adams
 Company: Southeast Apartment Partners
 Source: Seller's Broker
 Phone No. / Date: 8/8/12

Remarks

This represents the sale of three assets located in Jefferson and Shelby Counties in the Birmingham metro. The assets were foreclosure assets previously owned by the Collins Group. They were in receivership and were stable at the time of sale. Vista Woods had 232 units, Vista Hills had 224 units and Vista Falls had 240 units. The assets were built in 1994, 1996 and 2001. All properties offered typical Class A- amenities and finishes. Garages were also available at some properties. The broker involved reported 95% occupancy at the time of sale and a 6.75% cap rate. We backed into the PGR and estimated economic vacancy at 10% and expenses at \$4500 per unit which would be sufficient to include reserves at \$250 per unit. We assumed other income at \$450 per unit, typical for properties with similar vintages and garages available for rent.

Adjustments

The lack of uniformity in the market prevents the direct market extraction of most dollar adjustments. However, dollar adjustments to the comparable sales were considered and made when warranted for property rights transferred, financing terms, conditions of sale and expenditures incurred immediately after purchase, such as deferred maintenance. These adjustments were made prior to our analysis and are reflected in the analysis price. Quantitative adjustments are also made for market conditions, location and physical characteristics. The adjustments are subjective by the appraisers as paired sales adjustments were not available. The quantitative adjustments are considered to bracket the subject and help conclude an overall unit value.

Analysis of Comparable Sales

The grid below makes quantitative and qualitative adjustments to the comparable sales.

SALES COMPARABLE ANALYSIS							
COMPARABLES	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6
Analysis Price:	-	\$20,950,000	\$14,450,000	\$28,500,000	\$22,000,000	\$28,250,000	\$53,250,000
Analysis Price/Unit:	-	\$65,469	\$65,682	\$83,333	\$70,513	\$60,363	\$76,509
Date of Sale:	-	6/29/12	6/8/12	3/29/12	3/22/12	1/3/12	12/1/11
Analysis:		Similar	Similar	Similar	Sl. Older	Sl. Older	Sl. Older
% Adjustment		0%	0%	0%	0%	0%	2%
Location:	Good	Good	Average	Average	Average	Good	Good
Analysis:		Similar	Inferior	Sl. Inferior	Inferior	Similar	Similar
		0%	10%	5%	5%	0%	0%
Year Built (Age):	1985-1996	1982	1990	1996	1997	1991	1994-2001
Analysis:		Sl. Older	Similar	New er	New er	Similar	New er
		5%	0%	-10%	-10%	0%	-10%
**Avg. Unit Size (SF):	1,117	1,030	999	1,157	1,130	1,562	1,092
Analysis:		Sl. Smaller	Sl. Smaller	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	-10%	0%
Quality:	Average	Average	Average	Good	Average	Average	Average/Good
Analysis:		Sl. Inferior	Similar	Superior	Sl. Inferior	Inferior	Sl. Superior
		5%	0%	-5%	5%	10%	-5%
Condition:	Good	Good	Average/Good	Good	Average	Average	Average/Good
Analysis:		Similar	Gen. Similar	Similar	Sl. Inferior	Inferior	Sl. Inferior
		0%	0%	0%	5%	15%	5%
No. of Units:	1080	320	220	342	312	468	696
Analysis:		Smaller	Smaller	Smaller	Smaller	Smaller	Smaller
		-10%	-10%	-10%	-10%	0%	0%
NOI/Unit:	\$4,534	\$4,964	\$4,269	-	\$4,760	\$4,527	\$5,151
Analysis:		Sl. Higher	Sl. Low er	-	Similar	Sl. Low er	Sl. Higher
		-	-	-	-	-	-
Adj. Price per Unit:	-	\$65,469	\$65,682	\$66,666	\$66,987	\$69,417	\$70,235

*The analysis price is first adjusted for date of sale, and then multiplied by the total net adjustment % for the remaining categories.

**This adjustment only represents the price per unit method and is the inverse of the price per SF adjustment, which is not displayed.

Analysis of Adjustments

Comparables that transacted in late 2011 were adjusted upward for improving market conditions since that time. Activity level in the multifamily asset type increased significantly through 2011 and throughout early 2012. During this time, investors expanded their interest to second and third tier markets as competition in primary markets became fierce with most assets brought to market un-priced and many offers received. Since all sales transacted within eight months, only a slight upward adjustment was applied to Comparable 6. We also considered adjustments to the comparables for differences in average unit size as the income potential for larger units is generally greater than for smaller units on a monthly basis. We applied a factor of 0.25 to the difference in size to derive our adjustment as differences in achievable rental rates are not solely based on size but are also based on other factors we adjust for separately (i.e. year built, location, amenities offered, curb appeal, etc.) Any warranted adjustments for this attribute less than 5% (rounded) were not applied. For the most part, all location adjustments were applied based upon differences in median household income levels, surrounding supporting uses, proximity to employment centers, overall appeal of the area and achievable rental rates. Adjustments for vintage were applied as needed and were considered separately from condition adjustments. All else held equal, properties with a greater number of units typically transact at lower price points per unit than properties with fewer units. This is attributed to the economies of scale associated with the purchase of a larger property and a separate pool of investors with the ability to pull together the required equity for a large property transaction. However, discussions with market participants revealed that any measurable difference in price associated with the number of units will only occur at extreme ends of the spectrum and in-fact, an argument could be made that larger properties with 200 – 400 units will receive greater investor interest which would increase the price. For that reason, we have applied tempered adjustments for this category. Other adjustments were applied as follows:

Comparables 2 and 3 are located farther from I-65 and areas that have somewhat inferior appeal. The adjustment to Comparable 3 was tempered somewhat due to its location directly on Lorna Road with visibility. Comparable 4 is located in Alabaster, a desirable suburb with somewhat higher income demographics but one that is farther from the Birmingham metro and that is predominately homeowner households, which tempers achievable rent levels. Comparable 6 represents the sale of three assets which have a net similar location as a whole.

Comparable 1 has a slightly inferior curb appeal to the subject as well as a slightly inferior amenities package, although typical for the property size. It too has been recently completely renovated and for that reason, no adjustment for condition was applied.

Comparable 2 has a newer vintage and has been adequately maintained. Its curb appeal is slightly more attractive which off-sets any negligible difference in condition.

Comparable 3 has a newer vintage and a design and curb appeal commensurate with the vintage (age was adjusted for). For that reason, no significant adjustments were applied for quality. The condition was generally similar given the subject's renovation and any other differences being accounted for under the vintage and quality categories.

Comparable 4 has a newer vintage but the design and curb appeal is below average for vintage. The amenities package, although typical for the asset size, is inferior and the quality of the amenities package is also inferior to the subject as such, a slight upward adjustment was applied for quality. The condition of the property is generally inferior as is indicated by the buyer's plans to spend money following acquisition to renovate/improve the asset.

Comparable 5 has an average similar vintage given that the subject was constructed in phases. This is a direct competitor of the subject as it offers some similar floorplans, although the average unit size is higher because it doesn't have the abundance of smaller unit types. At the time of acquisition, the curb appeal and quality of the amenities package was inferior to the subject. Further, the condition at the time of acquisition was significantly inferior due to deferred maintenance issues.

SALES COMPARISON APPROACH (CONTINUED)

The assets included in the portfolio acquisition represented by Comparable 6 have a newer vintage. However, two of the three assets were constructed in the mid-1990s and one is 2001 vintage. As such, our adjustment for vintage were tempered somewhat. For the most part, differences in quality are related to the overall superior appeal of a newer vintage asset. For that reason, only a slight adjustment was applied for quality. Additionally, the adjustment for condition was somewhat tempered as the newer vintage off-sets some differences in condition.

Generally speaking, on an unadjusted and adjusted basis all of the comparables bracket the subject's market potential and few gross adjustments were warranted.

Price Per Unit Analysis/Sales Comparison Approach Conclusion

The comparable sales indicate an adjusted range of values for the subject property between \$65,469 and \$70,235 per unit, and an average of \$67,410 per unit. The first three comparables represent the most recent transactions and significant reliance was placed on them (average \$65,939). However, all the comparables bracket the subject's market potential and are indicating a very tight range.

The following table summarizes the analysis of the comparables, reports the reconciled unit value conclusion, and presents the concluded value of the subject property by the Sales Comparison Approach.

SUMMARY OF COMPARABLE ANALYSIS					
Comp.	Adjustments				
No.	Anal. Price/Unit	Date of Sale	Adj.	Subtotal	Adj. Price/Unit
1	\$65,469	0%	\$65,469	0%	\$65,469
2	\$65,682	0%	\$65,682	0%	\$65,682
3	\$83,333	0%	\$83,333	-20%	\$66,666
4	\$70,513	0%	\$70,513	-5%	\$66,987
5	\$60,363	0%	\$60,363	15%	\$69,417
6	\$76,509	2%	\$78,039	-10%	\$70,235
Statistical Analysis (Adj. Price/Unit)					
Low		\$65,469			
High		\$70,235	Average	\$67,410	
CALCULATION OF VALUE					
Concluded Price/Unit		No. Units		Value	
\$66,000		x	1080	=	\$71,300,000

EFFECTIVE GROSS INCOME MULTIPLIER METHOD

The effective gross income multiplier (EGIM), as indicated by the comparable sales, will be applied to the effective gross income for the subject property in order to determine an estimate of value. The multiplier is also used as an indicator of value and takes into consideration the proportion of expense to every dollar of effective gross income. It is derived by dividing the sale price by the effective gross income. Typically, effective gross income multipliers, which are derived and applied before considering expenses, are used without adjustments. However, to avoid an inaccurate conclusion of value, those comparables with similar expense ratios (% of effective gross income) are typically emphasized. The following table summarizes each comparable sale's expense ratio and EGIM indicator:

EGIM ANALYSIS		
Sale No.	Exp. % (EGI)	EGIM
1	52%	6.4
2	50%	6.7
Subject	50%	6.7
6	47%	7.9
4	45%	8.1
Median	50%	7.5
Average	50%	7.3

We would typically expect to see a trend where the EGIMs decrease at operating expense ratios increase. The comparables are indicating this trend but also a wide range. We considered the subject's expense ratio but also the median and average EGIM in our conclusion.

EGIM VALUE CONCLUSION				
Concl. EGIM	Multiplied By	Concl. EGI	=	Value
7.25	X	\$9,761,878		\$70,800,000

Correlation of Methods

Both the Per Unit and the Effective Gross Income Multiplier methods were presented in this analysis. The Per Unit is the most commonly applied method in the sales comparison approach. However, the EGIM method is also utilized because it directly considers the income potential of the property as it relates to other competitive properties. We have placed primary reliance on the per unit method in our analysis because this was reported by market participants to be a significant factor in transactions. The indicated value of the subject property by the Sales Comparison Approach is:

SALES APPROACH VALUE INDICATORS	
Method	Value
Price Per Unit	\$71,300,000
EGIM Method	\$70,800,000
Sales Comparison Approach Conclusion	\$71,000,000

INCOME APPROACH

The Income Approach is an appropriate measure of value for income-producing properties, as the value estimate derived by this approach mimics the decision making process of real estate investors. The appropriate methodology used within this approach is discussed below.

Direct Capitalization - This method analyzes the relationship of one year's stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

DIRECT CAPITALIZATION METHOD

The first step in the Direct Capitalization Method is to estimate the subject's potential gross income. This process is accomplished through a comparison of the subject with similar properties having similar locations and utility. Vacancy allowance and operating expenses are deducted, based on market analysis. Finally, the resulting net operating income is capitalized at an appropriate supported rate.

Subject Income History/Concessions

The subject's residents typically sign 12 month lease agreements, which is typical for the market area. They do not sign less than 7 month leases because a lease term of less than 7 months will be subject to hotel taxes by the State of Alabama. Please see the following chart that illustrates our analysis of the in-place rent roll.

SUBJECT LEASING INFORMATION								
Unit Type	Total Units	No. Occupied	Unit SF	Percent Occupied	Asking Rent/Mo	Asking Rent/SF	Leases Actual Avg	Leases Actual Avg/SF
0BR/1BA	20	19	390	95%	\$450	\$1.15	\$384	\$0.98
0BR/1BA	118	112	512	95%	\$478	\$0.93	\$525	\$1.03
1BR/1BA	80	79	720	99%	\$620	\$0.86	\$572	\$0.79
1BR/1BA	80	73	780	91%	\$660	\$0.85	\$597	\$0.77
1BR/1.5BA	80	73	1,064	91%	\$700	\$0.66	\$648	\$0.61
1BR/1.5BA	30	27	1,180	90%	\$755	\$0.64	\$677	\$0.57
1BR/2BA	12	11	1,313	92%	\$740	\$0.56	\$727	\$0.55
2BR/2BA	80	75	1,075	94%	\$700	\$0.65	\$649	\$0.60
2BR/2BA	41	36	1,100	88%	\$780	\$0.71	\$722	\$0.66
2BR/2BA	82	77	1,304	94%	\$740	\$0.57	\$698	\$0.54
2BR/2BA	159	140	1,315	88%	\$795	\$0.60	\$742	\$0.56
2BR/2BA	100	94	1,360	94%	\$835	\$0.61	\$749	\$0.55
2BR/2BA	30	27	1,435	90%	\$880	\$0.61	\$797	\$0.56
2BR/2BA	42	40	1,521	95%	\$870	\$0.57	\$788	\$0.52
3BR/2BA	126	114	1,521	90%	\$910	\$0.60	\$858	\$0.56
Total/Avg/Wtg. Av.	1080	997	1,117	92.3%	\$733	\$0.66	\$684	\$0.62

The subject's current in-place rental rates are lower than asking rents and this is attributed to the relatively recent acquisition and management still having older leases in-place from prior management and before the \$3.6M renovation.

Subject Utility Structure

- **Water/Sewer** – For most units, not included in the rent, formerly flat rate, now RUBS system based on unit size and number of tenants. For studio units, included.
- **Trash Removal** – For most units, not included in the rent, flat fee included on water bill. For studio units, included.

- **Gas** - For most units, not included in the rent. For studio units, included.
- **Electricity** - For most units, not included in the rent. For studio units, included.
- **Telephone** - Not included in the rent; directly billed from utility company
- **Cable** - Not included in the rent; directly billed from utility company

Analysis of Rent Comparables

Unit of Comparison - The analysis is conducted on a rent per month basis, reflecting market behavior. This unit of comparison is predominantly used in this market.

Selection of Comparables - A complete search of the area was conducted in order to find the most comparable complexes in terms of age, appeal, condition, number of units, and amenities. The rent comparables are located in the subject's immediate area. The subject is in good condition with good appeal for the market area. The comparables selected in this analysis are the best available properties in the area considering the unique nature of the subject property.

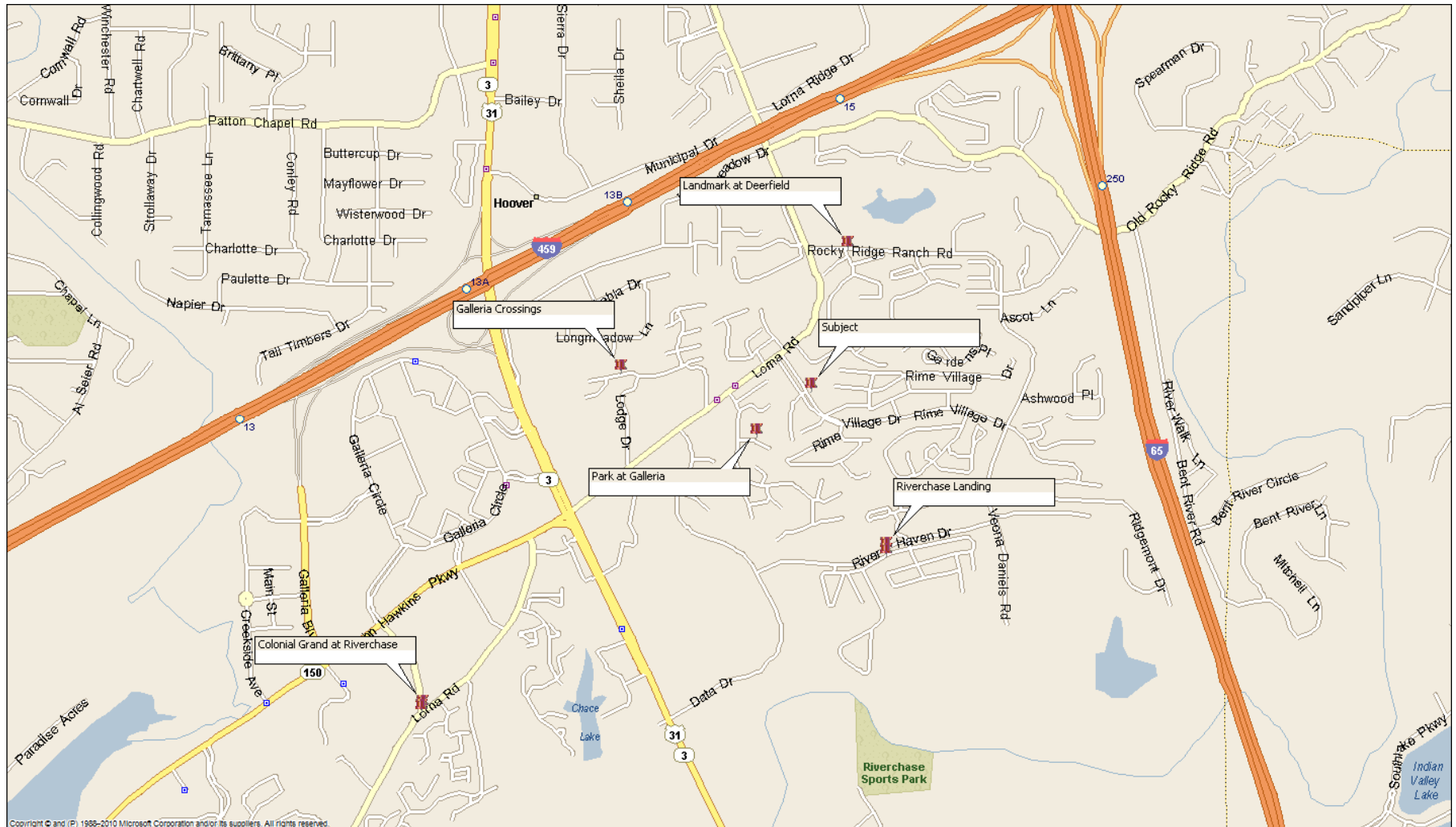
Concessions - Concessions in this market depend on management's philosophy. Some properties report high asking rates and then offer significant concessions; others offer no concessions but have achievable asking rates. The subject is not currently offering concessions.

Presentation - The following presentation summarizes the comparables most similar to the subject property. A Rent Comparable Summation Table, Rent Comparable Location Map, Data Sheets, and analysis of the rent comparables is presented on the following pages.

RENT SUMMATION TABLE

Comparable 1	Project Design	No. Units	Year Built	Project Size (NRA)	Avg. SF per	Rent Type	Occup. Rate	Asking Rent Range	Asking Avg. Rent
Riverchase Landing 200 River Haven Circle Hoover, AL	Garden	468	1985	694,980	1,485	Market	95%	\$695 - \$1,020	\$880
Comparable 2									
Landmark at Deerfield Glen 3627 Cedarbrook Drive Hoover, AL	Garden	320	1982	329,980	1,031	Market	85%	\$680 - \$980	\$823
Comparable 3									
Colonial Grand at Riverchase 1000 Riverchase Trail Hoover, AL	Garden	345	1989	350,175	1,015	Market	99%	\$845 - \$1,155	\$985
Comparable 4									
Park at Galleria 550 Hampton Park Drive Hoover, AL	Garden	459	1970s	530,145	1,155	Market	94%	\$580 - \$930	\$755
Comparable 5									
Galleria Crossings 3708 Lodge Drive Hoover, AL	Garden	321	1980s	335,124	1,044	Market	92%	\$535 - \$799	\$667

RENT COMPARABLE LOCATION MAP



RENT COMPARABLE DATA SHEETS

RIVERCHASE LANDING

Location Information

Address: 200 River Haven Circle
 City, State: Hoover, AL 35244
 MSA: Birmingham, AL MSA

Physical Information

Project Design: Garden
 No. of Units: 468
 Year Built: 1985
 Project Size(NRA): 694,980
 Average Unit Size(SF): 1,485
 Rent Type: Market
 Project Amenities: Outdoor pool, clubhouse, exercise facilities, playground, basketball, laundry, The complex includes 3 swimming pools, and 2 tennis courts
 Unit Amenities: Storage, w/d hookups, air conditioning, deck, dishwasher, disposal, vaulted ceilings
 Security: Security patrol, exterior lighting
 Parking: Open(Incl.)
 Building Construction: Wood frame, Brick exterior, Shingled roof
 Quality: Average/Good
 Condition / Appeal: Average/Good / Average/Good

Utilities Information

	Incl. in Rent	Not Incl. in Rent
Electricity:	<input type="radio"/>	<input checked="" type="radio"/>
Water:	<input type="radio"/>	<input checked="" type="radio"/>
Hot Water:	<input type="radio"/>	<input checked="" type="radio"/>
Sewer:	<input type="radio"/>	<input checked="" type="radio"/>
Garbage:	<input type="radio"/>	<input checked="" type="radio"/>
Telephone:	<input type="radio"/>	<input checked="" type="radio"/>
Gas:	<input type="radio"/>	<input checked="" type="radio"/>
Cable/Satellite:	<input type="radio"/>	<input checked="" type="radio"/>
High Speed Internet:	<input type="radio"/>	<input checked="" type="radio"/>

Unit Mix Information

Description	No. Units	Avg. Size	Low Rent	High Rent	Avg. Rent
All	468	1,485	\$740	\$1,020	\$880
Flat/1 BD/1.5 BA		1,070	\$740	\$740	\$740
Flat/2 BD/2 BA		1,310	\$800	\$800	\$800
Flat/2 BD/2 BA		1,390	\$810	\$810	\$810
Flat/2 BD/2 BA		1,475	\$845	\$845	\$845
Flat/2 BD/2 BA		1,522	\$885	\$885	\$885
Flat/2 BD/2 BA		1,782	\$985	\$985	\$985
Flat/2 BD/2.5 BA		1,900	\$1,005	\$1,005	\$1,005
Flat/3 BD/2 BA		1,523	\$900	\$900	\$900
Flat/3 BD/2 BA		1,780	\$995	\$995	\$995
Flat/3 BD/3 BA + Den		1,900	\$1,020	\$1,020	\$1,020



Apartment Rent 1

Occupancy / Absorption

ID# 31611

No. of Vacant Units: 23
 Occupancy Rate: 95%
 Fees and Deposits: \$50 up to \$500
 Concessions: \$250 off 1st months rent on a 13 month lease

Confirmation

Name: Leasing Agent
 Source: Leasing Agent/Consultant
 Phone No. / Date: 205.987.0678 8/6/12

Remarks

This property is in a suburban location of the Birmingham metro area close less than a half mile west of U.S. 31 and Data Drive, and less than a half mile west of I-65. It is in close proximity to the Galleria Mall and several employment centers in the area. The property was a foreclosure asset but in the receivership process was brought to stabilized operations. It was 95% occupied at the time of our survey, consistent with our survey in May 2012, November 2011 and August 2011. Rental rates have remained stable since that time. It is in the process of being renovated but the rates reported are base rates as renovations are not complete.

LANDMARK AT DEERFIELD GLEN (FKA CEDAR BROOK)

Location Information

Address: 3627 Cedarbrook Drive
 City, State: Hoover, AL 35216
 MSA: Birmingham, AL MSA

Physical Information

Project Design: Garden
 No. of Units: 320
 Year Built: 1982
 Project Size(NRA): 329,980
 Average Unit Size(SF): 1,031
 Rent Type: Market
 Project Amenities: Outdoor pool, clubhouse, exercise facilities, spa, business center, playground, laundry, a dog park, and WiFi in clubhouse and pool area.

Unit Amenities: W/d hookups, air conditioning, deck, dishwasher, disposal

Security: Security patrol, exterior lighting

Parking: Open(Incl.)

Building Construction: Concrete frame, Vinyl exterior, Shingled roof

Quality: Average

Condition / Appeal: Average / Average

Utilities Information

	Incl. in Rent	Not Incl. in Rent
Electricity:	<input type="radio"/>	<input checked="" type="radio"/>
Water:	<input type="radio"/>	<input checked="" type="radio"/>
Hot Water:	<input type="radio"/>	<input checked="" type="radio"/>
Sewer:	<input type="radio"/>	<input checked="" type="radio"/>
Garbage:	<input checked="" type="radio"/>	<input type="radio"/>
Telephone:	<input type="radio"/>	<input checked="" type="radio"/>
Gas:	<input type="radio"/>	<input checked="" type="radio"/>
Cable/Satellite:	<input checked="" type="radio"/>	<input type="radio"/>
High Speed Internet:	<input checked="" type="radio"/>	<input type="radio"/>

Unit Mix Information

Description	No. Units	Avg. Size	Low Rent	High Rent	Avg. Rent
Flat/1 BD/1 BA	80	716	\$680	\$680	\$680
Flat/2 BD/1 BA	100	1,020	\$780	\$780	\$780
Flat/2 BD/2 BA	60	1,073	\$850	\$850	\$850
Flat/3 BD/2 BA	80	1,329	\$980	\$980	\$980



Apartment Rent 2

Occupancy / Absorption

ID# 31615

No. of Vacant Units: 49
 Occupancy Rate: 85%
 Fees and Deposits: \$45 application fee, \$125 Administration fee, \$250 Deposit
 Concessions: None

Confirmation

Name: Management
 Source: Leasing Agent/Consultant
 Phone No. / Date: 205.987.0737 8/6/12

Remarks

Landmark at Deerfield Glen (fka CedarBrook) are well located in Hoover, AL near the Galleria Mall and several employment centers including the AT&T and Blue Cross and Blue Shields call centers. The property was acquired by the former owners Feb 2011 and was significantly renovated. The interiors of the units have all new flooring, appliances, HVAC, plumbing, electrical, hardware, fixtures, etc. Cabinets and countertops are original but have been refinished. Landmark acquired the property in June 2012 and plans to renovate the clubhouse further, add a bark park, resurface the tennis court, make landscaping improvements, add a two story fitness center, and reface all the cabinets in kitchens and baths. Currently occupancy is 85% and they are 91% leased. The rents reported include a mandatory \$87 charge which includes cable (\$35), internet (\$30), valet trash (\$20) and pest control (\$2). Water and sewer is billed back to the tenants based on unit size. No concessions are reportedly offered.

COLONIAL GRAND AT RIVERCHASE

Location Information

Address: 1000 Riverchase Trail
 City, State: Hoover, AL 32544
 MSA: Birmingham, AL MSA

Physical Information

Project Design: Garden
 No. of Units: 345
 Year Built: 1989
 Project Size(NRA): 350,175
 Average Unit Size(SF): 1,015
 Rent Type: Market
 Project Amenities: Outdoor pool, clubhouse, exercise facilities, business center, playground, basketball, laundry, care car center, gated
 Unit Amenities: W/d hookups, washer & dryer in unit, air conditioning, deck, dishwasher, disposal
 Security: Security patrol, exterior lighting, unit deadbolt
 Parking: Open(Incl.), covered(Avail.)
 Building Construction: Wood frame, Brick exterior, Composition asphalt roof
 Quality: Good
 Condition / Appeal: Good / Good

Utilities Information

	Incl. in Rent	Not Incl. in Rent
Electricity:	<input type="radio"/>	<input checked="" type="radio"/>
Water:	<input type="radio"/>	<input checked="" type="radio"/>
Hot Water:	<input type="radio"/>	<input checked="" type="radio"/>
Sewer:	<input type="radio"/>	<input checked="" type="radio"/>
Garbage:	<input type="radio"/>	<input checked="" type="radio"/>
Telephone:	<input type="radio"/>	<input checked="" type="radio"/>
Gas:	<input type="radio"/>	<input checked="" type="radio"/>
Cable/Satellite:	<input checked="" type="radio"/>	<input type="radio"/>
High Speed Internet:	<input type="radio"/>	<input checked="" type="radio"/>

Unit Mix Information

Description	No. Units	Avg. Size	Low Rent	High Rent	Avg. Rent
All	345	1,015	\$745	\$1,225	\$985
Flat/1 BD/1 BA		783	\$835	\$985	\$910
Flat/1 BD/1 BA		800	\$835	\$985	\$910
Flat/1 BD/1 BA		878	\$835	\$985	\$910
Flat/2 BD/1 BA		886	\$740	\$950	\$845
Flat/2 BD/2 BA		1,063	\$885	\$1,050	\$967
Flat/3 BD/2 BA		1,248	\$1,085	\$1,225	\$1,155



Apartment Rent 3

Occupancy / Absorption

ID# 31614

No. of Vacant Units: 3
 Occupancy Rate: 99%
 Fees and Deposits: NA
 Concessions: None

Confirmation

Name: Management
 Source: Leasing Agent/Consultant
 Phone No. / Date: 205.444.5001 8/6/12

Remarks

This is a 345 unit property in Hoover, AL near the Riverchase Galleria. It has a good location and good curb appeal for the area. The unit interiors are somewhat dated but the property commands relatively high rents due to the significant amenities package, good management and desirability of the area and exterior appeal. The leasing agent indicated the occupancy has not changed since our previous survey in May 2012. Cable is included in the rent and occupancy was reported at 99% in May 2012 and the comparable website indicates only 2 units are currently available. This was reported to be typical for the property. No concessions are currently being offered. The rental rates for the one bedroom floor plans were quoted for all units with no specific break out for unit square footage. The ranges in rental rates represents various upcharges which were not available separately.

PARK AT GALLERIA

Location Information

Address: 550 Hampton Park Drive
 City, State: Hoover, AL 35216
 MSA: Birmingham, AL MSA

Physical Information

Project Design: Garden
 No. of Units: 459
 Year Built: 1970s
 Project Size(NRA): 530,145
 Average Unit Size(SF): 1,155
 Rent Type: Market
 Project Amenities: Outdoor pool, clubhouse, exercise facilities, playground, laundry
 Unit Amenities: W/d hookups, fireplace, air conditioning, deck, dishwasher, disposal
 Security: Exterior lighting, unit deadbolt
 Parking: Open(Incl.), garage(Avail.)
 Building Construction: Wood frame, Brick exterior, Shingled roof
 Quality: Average/Good
 Condition / Appeal: Average/Good / Average/Good

Utilities Information

	Incl. in Rent	Not Incl. in Rent
Electricity:	<input type="radio"/>	<input checked="" type="radio"/>
Water:	<input type="radio"/>	<input checked="" type="radio"/>
Hot Water:	<input type="radio"/>	<input checked="" type="radio"/>
Sewer:	<input type="radio"/>	<input checked="" type="radio"/>
Garbage:	<input type="radio"/>	<input checked="" type="radio"/>
Telephone:	<input type="radio"/>	<input checked="" type="radio"/>
Gas:	<input type="radio"/>	<input checked="" type="radio"/>
Cable/Satellite:	<input type="radio"/>	<input checked="" type="radio"/>
High Speed Internet:	<input type="radio"/>	<input checked="" type="radio"/>

Unit Mix Information

Description	No. Units	Avg. Size	Low Rent	High Rent	Avg. Rent
All	459	1,155	\$580	\$930	\$755
Flat/1 BD/1 BA		722	\$580	\$580	\$580
Flat/2 BD/1 BA		947	\$680	\$680	\$680
Flat/2 BD/2 BA		1,017	\$700	\$700	\$700
Flat/2 BD/2 BA		1,074	\$740	\$740	\$740
Flat/3 BD/2 BA		1,297	\$870	\$870	\$870
Flat/3 BD/2 BA		1,460	\$800	\$800	\$800
Flat/4 BD/2 BA		1,588	\$930	\$930	\$930



Apartment Rent 4

Occupancy / Absorption

ID# 31613

No. of Vacant Units: 28
 Occupancy Rate: 94%
 Fees and Deposits: \$35 up to one months rent
 Concessions: reduced rental rates (quoted)

Confirmation

Name: Ean
 Source: Management Company
 Phone No. / Date: 205.987.0677 8/6/12

Remarks

This property is in a suburban location of the Birmingham metro area close to Interstate 459. The property was constructed in 1970 and was renovated in 2005. According to the leasing agent renovations included interior finishes, appliances, kitchen counter tops and flooring. Exterior renovations included upgraded landscaping, painting, and updated amenities. The property is currently 94% occupied and concessions consist of reduced rental rates (quoted). No utilities are included in the rental rates. Storage units rent for \$35 per month and garages rent for an additional \$100 per month.

GALLERIA CROSSINGS

Location Information

Address: 3708 Lodge Drive
 City, State: Hoover, AL 32516
 MSA: Birmingham, AL MSA

Physical Information

Project Design: Garden
 No. of Units: 321
 Year Built: 1980s
 Project Size(NRA): 335,124
 Average Unit Size(SF): 1,044
 Rent Type: Market
 Project Amenities: Outdoor pool, clubhouse, exercise facilities, playground, laundry
 Unit Amenities: W/d hookups, washer & dryer in unit, air conditioning, deck, dishwasher, disposal
 Security: Security patrol, exterior lighting, unit deadbolt
 Parking: Open(Incl.)
 Building Construction: Wood frame, Wood exterior, Composition asphalt roof
 Quality: Average
 Condition / Appeal: Average / Average

Utilities Information

	Incl. in Rent	Not Incl. in Rent
Electricity:	<input type="radio"/>	<input checked="" type="radio"/>
Water:	<input type="radio"/>	<input checked="" type="radio"/>
Hot Water:	<input type="radio"/>	<input checked="" type="radio"/>
Sewer:	<input type="radio"/>	<input checked="" type="radio"/>
Garbage:	<input type="radio"/>	<input checked="" type="radio"/>
Telephone:	<input type="radio"/>	<input checked="" type="radio"/>
Gas:	<input type="radio"/>	<input checked="" type="radio"/>
Cable/Satellite:	<input type="radio"/>	<input checked="" type="radio"/>
High Speed Internet:	<input type="radio"/>	<input checked="" type="radio"/>

Unit Mix Information

Description	No. Units	Avg. Size	Low Rent	High Rent	Avg. Rent
All	321	1,044	\$535	\$799	\$667
Flat/1 BD/1 BA		768	\$535	\$535	\$535
Flat/2 BD/1 BA		1,011	\$625	\$625	\$625
Flat/2 BD/2 BA		1,011	\$635	\$635	\$635
Flat/2 BD/2 BA		1,075	\$725	\$725	\$725
Flat/3 BD/2 BA		1,320	\$799	\$799	\$799



Apartment Rent 5

Occupancy / Absorption

ID# 31612

No. of Vacant Units: 26
 Occupancy Rate: 92%
 Fees and Deposits: varies
 Concessions: Reduced rental rates (quoted) and \$100 off first months rent

Confirmation

Name: Management
 Source: Leasing Agent/Consultant
 Phone No. / Date: 205.987.0270 8/6/12

Remarks

This property is recently under new management. The property experienced low occupancy rates during renovation. Renovations were complete in 2012 and there are no down units on property. The properties current occupancy is 92%. The rates reported are rental rates alone; however, the property does offer higher rates that include water, sewer and trash. The property is currently offering reduced rental rates and a concession of \$100 off the first months rent. Rental rates were anticipated to be raised upon completion of renovation; however based on our previous survey in Nov 2011, rental rates have not increase dramatically.

Discussion of Rental Adjustments

Rent Comparable Adjustment Grids - The following table adjusts the comparables to the subject property qualitatively.

RENT QUALITATIVE ADJUSTMENT GRID

Comparable 1	No. Units	Year Built	Comparison to Subject					Overall Indicator
			Quality	Condition	Appeal	Age	Location	
Riverchase Landing	468	1985	Similar	Sl. Inferior	Similar	Similar	Similar	Good
Analysis: This property is considered to be the subject's most direct competition. It offers similar floorplans and amenities, but has not been extensively renovated but is undergoing that process now.								
Comparable 2								
Landmark at Deerfield Glen	320	1982	Sl. Inferior	Similar	Sl. Inferior	Similar	Similar	Sl. Inferior
Analysis: This property is considered to be a direct competitor as the unit interiors have been renovated and are generally consistent with the subject's. However, it offers a more limited amenities package and the exteriors are slightly less attractive and there is limited visibility from Lorna Road.								
Comparable 3								
Colonial Grand at Riverchase	345	1989	Similar	Similar	Similar	Similar	Superior	Sl. Superior
Analysis: This property is generally very similar to the subject. It is net similar in terms of appeal and has an amenities package commensurate with the asset size, but this is inferior to the subject. The appeal is generally similar from the exterior but unit interiors have not been renovated.								
Comparable 4								
Park at Galleria	459	1970s	Similar	Inferior	Sl. Inferior	Older	Similar	Inferior
Analysis: Overall this property has an inferior curb appeal. It suffered from poor management and deferred maintenance in the past. The interiors have been renovated (apparently in the 1990s or early 2000s) but are not as attractive as the subject's recent renovation. It is located proximate the subject and is considered to set the lower end of the range.								
Comparable 5								
Galleria Crossings	321	1980s	Sl. Inferior	Inferior	Inferior	Similar	Similar	Inferior
Analysis: This property is considered to be a competitor but one that tenants would seek if looking to save a little money. The unit interiors have been partially renovated but have an inferior appeal to the subject. It offers an amenities package consistent with the vintage but is more limited as compared to the subject. The exteriors are less attractive, making curb appeal inferior.								

Market Rent Analysis

The following tables summarize the various indicators of market rent, and provide the market rent analysis and conclusions for the subject property.

INCOME APPROACH (CONTINUED)

Studio Units				
Apt. Rent Comp.	Unit Type	Unit Size	Unit Rents	
			\$	Per SF
2	Flat/1 BD/1 BA	716	\$593	\$0.83
4	Flat/1 BD/1 BA	722	\$580	\$0.80
5	Flat/1 BD/1 BA	768	\$535	\$0.70
Minimum		716	\$535	\$0.70
Maximum		768	\$593	\$0.83
Average		735	\$569	\$0.78

Subject Averages & Analysis

Studio/1 BD/1 BA	390	\$450	\$1.15	Asking
		\$384	\$0.98	Actual

Analysis

There are no studio units in the competitive set. For that reason, we have compared the units to 1BR units. We recognize that 1BR units typically command a higher monthly rate due to the superior configuration of a separate bedroom. However, studio units typically rent at a premium on a \$/SF basis. Further, the asking rates include all utilities. Some actual leases have been signed at the asking rates, we concluded between the asking rent and in-place rates.

Estimated Market Rent Conclusion:				\$425	\$1.09
Studio/1 BD/1 BA	512	\$478	\$0.93	Asking	
		\$525	\$1.03	Actual	

Analysis

The asking levels are just below the low end of the range indicated by the market. But again, the lease rates include all utilities which off-sets the size and bedroom differences. Some leases have been signed at the asking levels, we concluded in-line with asking rates.

Estimated Market Rent Conclusion:				\$515	\$1.01
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1 Bedroom Units					
Apt. Rent Comp.	Unit Type	Unit Size	Unit Rents		
			\$	Per SF	
2	Flat/1 BD/1 BA	716	\$593	\$0.83	
4	Flat/1 BD/1 BA	722	\$580	\$0.80	
5	Flat/1 BD/1 BA	768	\$535	\$0.70	
3	Flat/1 BD/1 BA	783	\$860	\$1.10	
3	Flat/1 BD/1 BA	800	\$860	\$1.08	
3	Flat/1 BD/1 BA	878	\$860	\$0.98	
1	Flat/1 BD/1.5 BA	1,070	\$695	\$0.65	
Minimum		716	\$535	\$0.65	
Maximum		1,070	\$860	\$1.10	
Average		820	\$712	\$0.88	
Subject Averages & Analysis					
Flat/1 BD/1 BA		720	\$620	\$0.86	Asking
			\$572	\$0.79	Actual
Analysis					
For this unit type we focused on comparables with under 800 SF. Comparables 1 and 3 are the property's most direct competitors. Comp 3 is asking \$860 (adjusted for cable) monthly for a slightly larger unit. The in-place and asking rates fall within the range indicated. Some recent leases have been signed at the asking levels but others have been signed at lower levels. We concluded between the asking and in-place levels.					
Estimated Market Rent Conclusion:			\$615	\$0.85	
Flat/1 BD/1 BA		780	\$660	\$0.85	Asking
			\$597	\$0.77	Actual
Analysis					
For this unit type we focused on comparables with under 800 SF. Comparables 1 and 3 are the property's most direct competitors. Comp 3 is asking \$860 (adjusted for cable) monthly for a slightly larger unit. The in-place and asking rates fall within the range indicated. Some recent leases have been signed at the asking levels but others have been signed at lower levels. We concluded between the asking and in-place levels.					
Estimated Market Rent Conclusion:			\$645	\$0.83	
Flat/1 BD/1.5 BA		1,064	\$700	\$0.66	Asking
			\$648	\$0.61	Actual
Analysis					
Only one comparable offers a unit with 1.5 baths and it is a direct competitor. The asking rate for this comparable is within a reasonable range of the subject's asking rate. Many leases have been signed at levels exceeding the asking rates and others have been signed at lower levels. We concluded at the asking levels.					
Estimated Market Rent Conclusion:			\$700	\$0.66	
Flat/1 BD/1.5 BA		1,180	\$755	\$0.64	Asking
(In Phase II)			\$677	\$0.57	Actual
Analysis					
Only one comparable offers a unit with 1.5 baths and it is a direct competitor. The asking rate for this comparable is within a reasonable range of the subject's asking rate. Many leases have been signed at levels bracketing the asking rates, which change daily, and a conclusion near the asking rate was considered achievable. This unit type is located in Phase II which is mid-1990s vintage with somewhat higher achievable rates.					
Estimated Market Rent Conclusion:			\$750	\$0.64	
Flat/1 BD/2 BA		1,313	\$740	\$0.56	Asking
			\$727	\$0.55	Actual
Analysis					
None of the comparables offer a 1BR unit this large with two full baths. As such, we would expect it to fall outside the low end of the range on a PSF basis. Four leases have been signed at levels over the asking rates with others at or slightly lower than the asking rates. Given that there are leases in-place at between \$740 and \$795 monthly, it is our opinion a slight increase over asking rates is achievable given that it is bracketed by the market data and the asking rates change daily. This unit type, although larger than the 1,180 SF unit and offering a full bathroom instead of a half bath, is located in Phase I which is 1980s vintage and achieves slightly lower rents than Phase II. As such, the favorable attributes of this unit type are offset by the older vintage.					
Estimated Market Rent Conclusion:			\$745	\$0.57	

2 Bedroom Units				
Apt. Rent Comp.	Unit Type	Unit Size	Unit Rent	
			\$	Per SF
3	Flat/2 BD/1 BA	886	\$795	\$0.90
4	Flat/2 BD/1 BA	947	\$680	\$0.72
5	Flat/2 BD/1 BA	1,011	\$625	\$0.62
5	Flat/2 BD/2 BA	1,011	\$635	\$0.63
4	Flat/2 BD/2 BA	1,017	\$700	\$0.69
2	Flat/2 BD/1 BA	1,020	\$693	\$0.68
3	Flat/2 BD/2 BA	1,063	\$917	\$0.86
2	Flat/2 BD/2 BA	1,073	\$763	\$0.71
4	Flat/2 BD/2 BA	1,074	\$740	\$0.69
5	Flat/2 BD/2 BA	1,075	\$544	\$0.51
1	Flat/2 BD/2 BA	1,310	\$722	\$0.55
1	Flat/2 BD/2 BA	1,390	\$730	\$0.53
1	Flat/2 BD/2 BA	1,475	\$845	\$0.57
1	Flat/2 BD/2 BA	1,522	\$885	\$0.58
Minimum		886	\$544	\$0.51
Maximum		1,522	\$917	\$0.90
Average		1,134	\$734	\$0.66

Subject Averages & Analysis

Flat/2 BD/2 BA	1,075	\$700	\$0.65	Asking
		\$649	\$0.60	Actual

Analysis

We focused analysis on comparables with 1,000 to 1,100 SF. The comparables bracket the subject's in-place and asking rents. Many leases have been signed at or above asking levels and for that reason we have concluded slightly above asking levels.

Estimated Market Rent Conclusion:				\$710	\$0.66
Flat/2 BD/2 BA	1,100	\$780	\$0.71	Asking	
		\$722	\$0.66	Actual	

Analysis

We focused analysis on comparables with 1,000 to 1,100 SF. The comparables bracket the subject's in-place rents but the asking rents fall slightly outside the upper end of the range of the comparables within this size range. Many leases have been signed at or above asking levels and others have been signed at slightly lower levels. For that reason we have concluded between asking and in-place levels.

Estimated Market Rent Conclusion:	\$775	\$0.70
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INCOME APPROACH (CONTINUED)

Flat/2 BD/2 BA	1,304	\$740	\$0.57	Asking
		\$698	\$0.54	Actual

Analysis

Comparable 1, the property's most direct competitor is the only comparable that offers similar sized units. The asking rates at Comparable 1 are \$722 to \$730 and these units have not been renovated. As such, a conclusion higher than their asking rates is considered reasonable. Further, leases have been signed at and above the asking levels with many being signed in excess of \$750 monthly. As such, we concluded to a slightly higher market rate than the current asking rates, which change daily. Our conclusion is effectively about a \$25 premium over Comparable 1's units which haven't been renovated at the rates reported, renovations are in process.

Estimated Market Rent Conclusion:				\$755	\$0.58
Flat/2 BD/2 BA	1,315	\$795	\$0.60	Asking	
		\$742	\$0.56	Actual	

Analysis

Similar to the 1304 SF unit, leases have been signed at asking levels with many that exceed asking levels. However, some have been signed at slightly lower levels. We placed reliance on the leases recognizing that a premium as compared to Comparable 1 would be appropriate given the subject's renovation.

Estimated Market Rent Conclusion:				\$795	\$0.60
Flat/2 BD/2 BA	1,360	\$835	\$0.61	Asking	
(In Phase II)		\$749	\$0.55	Actual	

Analysis

Similar to the 1315 SF unit, leases have been signed at asking levels with many that exceed asking levels. We placed reliance on the leases recognizing that a premium as compared to the 1315 SF unit would apply since this unit is in Phase II, and has a mid 1990s vintage.

Estimated Market Rent Conclusion:				\$825	\$0.61
Flat/2 BD/2 BA	1,435	\$880	\$0.61	Asking	
(In Phase II)		\$788	\$0.55	Actual	

Analysis

Similar to the 1360 SF unit, leases have been signed at asking levels with some that exceed asking levels. We placed reliance on the leases recognizing that a slightly higher rate as compared to the 1360 SF unit would apply for the increased size since both units are in Phase II and have a mid 1990s vintage. That being said, the asking rates are bracked by the comparable data.

Estimated Market Rent Conclusion:				\$875	\$0.61
Flat/2 BD/2 BA	1,521	\$870	\$0.57	Asking	
		\$788	\$0.52	Actual	

Analysis

Similar to the 1521 SF unit, leases have been signed at asking levels with many that exceed asking levels but also some at below asking levels. We placed reliance on the leases recognizing that a slightly lower rate as compared to the 1435 SF unit would apply since this unit is in Phase I, an older vintage. That being said, the asking rates are bracked by the comparable data. We concluded between the in-place and asking levels.

Estimated Market Rent Conclusion:				\$860	\$0.57
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3 Bedroom Units					
Apt.	Rent Comp.	Unit Type	Unit Size	Unit Rent	
				\$	Per SF
3		Flat/3 BD/2 BA	1,248	\$1,105	\$0.89
4		Flat/3 BD/2 BA	1,297	\$870	\$0.67
5		Flat/3 BD/2 BA	1,320	\$799	\$0.61
2		Flat/3 BD/2 BA	1,329	\$893	\$0.67
4		Flat/3 BD/2 BA	1,460	\$783	\$0.54
1		Flat/3 BD/2 BA	1,523	\$900	\$0.59
1		Flat/3 BD/2 BA	1,780	\$995	\$0.56
1		Flat/3 BD/3 BA + Den	1,900	\$1,020	\$0.54
Minimum			1,248	\$783	\$0.54
Maximum			1,900	\$1,105	\$0.89
Average			1,482	\$921	\$0.63
Subject Averages & Analysis					
Flat/3 BD/2 BA			1,521	\$910	\$0.60
				\$858	\$0.56
				Asking	
				Actual	
Analysis					
Comparable 1, the property's most direct competitor is the only comparable that offers similar sized units. Comparable 4 also offers relatively large units for the market, but not as large as the subject's. The asking rates at Comparable 1 are \$00 to \$995 for the units without a den and these units have not been renovated. As such, a conclusion higher than their asking rates for the 1523 SF unit is considered reasonable. Further, leases have been signed at levels above and below asking levels. For that reason, we concluded between the actual and asking levels.					
Estimated Market Rent Conclusion:				\$900	\$0.59

Rent Roll Analysis

The rent roll analysis serves as a crosscheck to the estimate of market rent for the subject. The collections shown on the rent roll include rent premiums and/or discounts.

RENT ROLL ANALYSIS				
Revenue Component			Monthly	Total Annual
997	Occupied Units	@ In-Place Rental Rates	\$676,712	\$8,120,540
83	Vacant Units	@ Market Rates	\$60,918	\$731,018
1080	Total Units	@ In-Place Rental Rates	\$738,770	\$8,865,240
1080	Total Units	@ Market Rent	\$792,670	\$9,512,040
% Difference (In-Place versus Market)				7.30%

The variation between the total annual rent reflected in the rent roll analysis and the market rent conclusion owes to older leases that reflect recent lower rents or concessions attributed to the property being in lease up. This is commonly referred to as "beg rents" that are often employed to increase foot traffic to a property during lease up and facilitate a more expedited lease up process. That being said, the property appears to have achieved relatively stable rates throughout this process.

Gross Rental Income

The gross rental income equals the total gross income based the rent conclusions presented above and is summarized in the following table.

Income Items	Unit Size (SF)	# of Units	Market Rent	Rent/SF	Monthly	Annual
Rental Income						
0BR/1BA	390	20	\$425	\$1.09	\$8,500	\$102,000
0BR/1BA	512	118	\$515	\$1.01	\$60,770	\$729,240
1BR/1BA	720	80	\$615	\$0.85	\$49,200	\$590,400
1BR/1BA	780	80	\$645	\$0.83	\$51,600	\$619,200
1BR/1.5BA	1,064	80	\$700	\$0.66	\$56,000	\$672,000
1BR/1.5BA	1,180	30	\$750	\$0.64	\$22,500	\$270,000
1BR/2BA	1,313	12	\$745	\$0.57	\$8,940	\$107,280
2BR/2BA	1,075	80	\$710	\$0.66	\$56,800	\$681,600
2BR/2BA	1,100	41	\$775	\$0.70	\$31,775	\$381,300
2BR/2BA	1,304	82	\$755	\$0.58	\$61,910	\$742,920
2BR/2BA	1,315	159	\$795	\$0.60	\$126,405	\$1,516,860
2BR/2BA	1,360	100	\$825	\$0.61	\$82,500	\$990,000
2BR/2BA	1,435	30	\$875	\$0.61	\$26,250	\$315,000
2BR/2BA	1,521	42	\$860	\$0.57	\$36,120	\$433,440
3BR/2BA	1,521	126	\$900	\$0.59	\$113,400	\$1,360,800
Total Rental Income		1,080	\$734	\$0.66	\$792,670	\$9,512,040

Other Income

RUBS Income – The subject property collects water, sewer and trash reimbursements from tenants. The historical data indicates a significant increase in collection following the acquisition by the current owner. The RUBS recapture rate as a percentage of total utilities in 2011 was 48%. This is within the market norm which typically ranges from 35% to 50%. Although management has recently changed the RUBS from a flat rate to be based on a pro rata share as well as the number of occupants in the unit, the impact of this is not anticipated to be significant. However, management reported that this should increase collections somewhat. Because our estimate is a forecast, we have conservatively estimate only a slight increase in the recapture rate. Our conclusion represents about 48.6% recapture of the projected utilities expense, which was based on the most recent historical data. Our conclusion is based on 100% collection.

Hoover Tax - The subject property receives income for Hoover Taxes which are passed through to the tenants. Our conclusion was based on the expense which is calculated as 1% of the total potential rental income less the total income loss. This is consistent with the historical data which reports recovery of the entire expense.

Miscellaneous - The subject property receives additional income from other sources including late fees, pet fees, recaptured concessions, retained deposits, application fees, etc. Historical data was limited but we placed reliance on the most recent historical data.

Other Income	Per Unit	Monthly	Annual
Utility Reimbursements	\$681	\$61,250	\$735,000
Hoover Tax	\$77	\$6,969	\$83,632
Miscellaneous Income	\$537	\$48,333	\$580,000
Total Other Income	\$1,295	\$116,553	\$1,398,632

Potential Gross Income (PGI)

Potential gross income equals the gross rental income plus other income, and is stated as follows on a per unit, per month and per year basis:

POTENTIAL GROSS INCOME (PGI)	\$10,102	\$9.05	\$10,910,672
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Our conclusion projects a slight increase over the 2012 YTD Annualized Income which is consistent with the further anticipated improvement in overall market performance. Further, as tenants that were in-place prior to the acquisition by current management renew leases post-renovation, we anticipate that more in-place leases will be brought to current market levels or the tenants will vacate and units will be filled by new tenants at the projected market rates.

Income Loss

Physical Occupancy - This category accounts for the time period between occupants, as well as possible prolonged vacancies under slow market conditions. This assignment reflects the probable stabilized vacancy during the economic life of the property and not necessarily the current or short-term vacancy. The subject's current vacancy rate is 7.7%. Management reported that this is somewhat low for the property as it generally fluctuates from 92% to 95% occupied.

OCCUPANCY DATA			
	Source	Date	Occupancy
Subject's Current	Rent Roll	Aug-12	92%
Birmingham Metro	Reis, Inc.	1Q2012	93%
<i>Birmingham Metro</i>	<i>Reis, Inc.</i>	<i>5-Yr Forecast</i>	<i>94%</i>
South Submarket	Reis, Inc.	1Q2012	94%
<i>South Submarket</i>	<i>Reis, Inc.</i>	<i>5-Yr Forecast</i>	<i>95%</i>
Rent Comparables	Various	Aug-12	93%
Concluded Physical Occupancy			93%

Based on the above information and contact with various market participants and property managers, our estimate of physical vacancy at 7.0% is considered supported.

Collection Loss - Typically we would include credit loss at 1% to 2% of PGI. Historical data was limited but a range from 1.9% to 2.0% was indicated. However, following the renovation and new management in-place, we anticipate that collection loss more typical of the asset class in the location at 1.0% would be achievable. The on-site manager reported that collection loss over the past few months has not exceeded 0.5% per month.

Loss to Lease - Currently, the subject's actual rents are lower than what has been concluded market, which would result in a loss to lease going forward. However, most new leases are anticipated to be signed at current market rates and older leases will be brought up to or near market rates upon renewal. As such, we have concluded a tempered loss to lease amount of 3.0% in our analysis, a tempered adjustment from the difference between the in-place actual and projected market rates.

Concessions - Properties are continuing to offer concessions on an as-needed basis and we anticipate they will be prevalent in the market going forward and utilized as a marketing tool utilized by property managers and for that reason, we have included a concessions allowance of 1.0%.

A stabilized economic vacancy for the subject at 12% is concluded on a stabilized basis. Please see the chart below:

INCOME APPROACH (CONTINUED)

Income Loss	%	Monthly	Annual
Physical Vacancy - Rental Income	7.0%	\$55,487	\$665,843
Credit Loss - Rental Income	1.0%	\$8,539	\$102,470
Loss to Lease - Rental Income	3.0%	\$23,780	\$285,361
Concessions - Rental Income	1.0%	\$7,927	\$95,120
Total Loss	12%	\$95,733	\$1,148,795

Effective Gross Income (EGI)

Effective gross income equals the potential gross income less vacancy and credit loss, and is stated as follows on a per unit, per month and per year basis:

EFFECTIVE GROSS INCOME (EGI)	\$9,039	\$8.09	\$9,761,878
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Historical data was limited and is representative of the property in the lease up and below stabilized operations. Further it is representative of existing management having limited time to bring the property operations up to its full market potential following the renovation. Our conclusion is based on stabilized operations. The 2012 YTD Annualized EGI represents a 17.27% improvement in EGI over 2011 EGI. Further the 2012 YTD Annualized EGI exceeded the budget by over 3%. Our conclusion anticipates a further increase over the 2012 YTD Annualized EGI as the property stabilizes and older leases are brought to market levels and full market potential is realized following the renovation.

Estimated Expenses

Operating expenses include those items necessary to maintain the subject property and generate income at the forecasted level. Expenses associated with debt financing, depreciation, or other accounting items are disregarded. Expenses are estimated based on one or more of the following sources: (1) historical or projected operation of the subject or (2) comparable expense properties. The expense comparables reflect varying accounting methods with respect to individual line items and reserves for replacement expenses. On a line-item basis, due to the variances in accounting and classification, their applicability is diminished. The following section provides supporting information and discusses the individual expense conclusions for the subject property.

SUBJECT HISTORICAL INCOME & EXPENSES

Year	2011		2012 YTD Ann.**		2012 Budget		Historicals	
	Total	\$/Unit	Total	\$/Unit	Total	\$/Unit	Low	High
INCOME ITEMS								
Rental Income	\$9,656,225	\$8,941	\$9,551,680	\$8,844	\$9,559,308	\$8,851	\$8,844	\$8,941
Physical Vacancy	-\$1,313,246	-\$1,216	-\$643,982	-\$596	-\$690,912	-\$640	-\$596	-\$1,216
Model Units	-\$48,447	-\$45	-\$31,900	-\$30	-\$23,100	-\$21	-\$21	-\$45
Loss to Lease	-\$1,079,526	-\$1,000	-\$793,008	-\$734	-\$1,028,848	-\$953	-\$734	-\$1,000
Bad Debt	-\$178,989	-\$166	-\$191,492	-\$177	-\$134,711	-\$125	-\$125	-\$177
Utility Reimbursements	\$543,924	\$504	\$720,638	\$667	\$699,000	\$647	\$504	\$667
Concessions	-\$178,989	-\$166	-\$51,000	-\$47	-	-	-\$47	-\$166
Hoover Tax	\$66,084	\$61	\$51,440	\$48	\$80,204	\$74	\$48	\$74
Miscellaneous Income	\$369,711	\$342	\$578,184	\$535	\$459,180	\$425	\$342	\$535
EFFECTIVE GROSS INCOME	\$7,836,747	\$7,256	\$9,190,560	\$8,510	\$8,920,121	\$8,259	\$7,256	\$8,510
EXPENSE ITEMS								
Real Estate Taxes	\$592,206	\$548	\$677,388	\$627	\$677,386	\$627	\$548	\$627
Additional Tax Charges	\$1,493	\$1	\$51,914	\$48	\$80,204	\$74	\$1	\$74
Insurance	\$169,980	\$157	\$207,158	\$192	\$205,428	\$190	\$157	\$192
<i>Subtotal - Fixed</i>	<i>\$763,679</i>	<i>\$707</i>	<i>\$936,460</i>	<i>\$867</i>	<i>\$963,018</i>	<i>\$892</i>	<i>\$707</i>	<i>\$892</i>
Utilities	\$1,382,772	\$1,280	\$1,498,134	\$1,387	\$1,682,250	\$1,558	\$1,280	\$1,558
Repairs and Maintenance	\$171,822	\$159	\$154,460	\$143	\$157,750	\$146	\$143	\$159
Grounds & Pest	\$181,208	\$168	\$182,418	\$169	\$207,156	\$192	\$168	\$192
Turnover Expenses	\$77,346	\$72	\$288,884	\$267	\$230,550	\$213	\$72	\$267
Management	\$313,565	\$290	\$365,230	\$338	\$354,452	\$328	\$290	\$338
<i>% of EGI</i>		<i>4.0%</i>		<i>4.0%</i>		<i>4.0%</i>	<i>4.0%</i>	<i>4.0%</i>
Payroll	\$906,640	\$839	\$1,053,458	\$975	\$1,118,538	\$1,036	\$839	\$1,036
Advertising	\$96,075	\$89	\$182,326	\$169	\$172,712	\$160	\$89	\$169
General/Administrative	\$98,967	\$92	\$98,560	\$91	\$172,804	\$160	\$91	\$160
<i>Subtotal - Variable*</i>	<i>\$1,845,623</i>	<i>\$1,709</i>	<i>\$2,325,336</i>	<i>\$2,153</i>	<i>\$2,413,962</i>	<i>\$2,235</i>	<i>\$1,709</i>	<i>\$2,235</i>
Reserves	\$216,000	\$200	\$216,000	\$200	\$216,000	\$200	-	-
TOTAL EXPENSES	\$4,208,074	\$3,896	\$4,975,930	\$4,607	\$5,275,230	\$4,884	\$3,896	\$4,884
Expenses as % EGI	53.7%		54.1%		59.1%		53.70%	59.1%
NET OPERATING INCOME	\$3,628,673	\$3,360	\$4,214,630	\$3,902	\$3,644,891	\$3,375	\$3,360	\$3,902

It should be noted that because the property was recently acquired and underwent renovations, there is limited stabilized historical data. *variable are excluding utilities for comparison purposes to the expense comps **through June 2012 Annualized.

EXPENSE COMPARABLES

COMPARABLE	Comp. 1	Comp. 2	Comp. 3	Comp. 4	Comp. 5	Comp. 6	Low	High
Expense Year	2010	2011	2010	2011	2012	2011/2012	2010	2012
Number of Units	500	644	256	390	320	256	256	644
Year Built	late 1990s	1985	1970s/Ren 2008	1996	1982/Ren 2008	1974/Ren 2010	1985	1996
EXPENSE ITEMS	\$/Unit	\$/Unit	\$/Unit	\$/Unit	\$/Unit	\$/Unit	Low	High
Real Estate Taxes	\$1,098	\$689	\$245	\$899	\$500	\$397	\$245	\$1,098
Additional Tax Charges	\$115	\$0	\$0	\$8	\$67	\$0	\$0	\$115
Insurance	\$211	\$166	\$176	\$230	\$186	\$352	\$166	\$352
<i>Subtotal - Fixed</i>	<i>\$1,424</i>	<i>\$855</i>	<i>\$422</i>	<i>\$1,137</i>	<i>\$753</i>	<i>\$749</i>	<i>\$422</i>	<i>\$1,424</i>
Utilities	\$344	\$453	\$816	\$989	\$917	\$1,048	\$344	\$1,048
Repairs and Maintenance	\$224	\$131	\$147	\$608	\$99	\$161	\$99	\$608
Landscaping & Pest	\$144	\$188	\$84	\$174	\$126	\$84	\$84	\$188
Turnover Expenses	\$149	-	\$243	\$259	\$172	\$172	\$149	\$259
Management	\$253	\$309	\$291	\$306	\$234	\$231	\$231	\$309
% of EGI	3.5%	4.6%	4.0%	2.4%	3.0%	3.0%	2.4%	4.6%
Payroll	\$953	\$1,015	\$556	\$1,233	\$1,017	\$955	\$556	\$1,233
Advertising	\$113	Incl. G&A	Incl. G&A	Incl. G&A	\$68	\$22	\$22	\$113
General/Administrative	\$257	\$394	\$203	\$261	\$191	\$244	\$191	\$394
<i>Subtotal - Variable*</i>	<i>\$2,093</i>	<i>\$2,037</i>	<i>\$1,525</i>	<i>\$2,841</i>	<i>\$1,907</i>	<i>\$1,869</i>	<i>\$1,525</i>	<i>\$2,841</i>
Reserves	-	-	-	-	-	-	\$0	\$0
TOTAL EXPENSES (\$/Unit)	\$3,861	\$3,345	\$2,763	\$4,967	\$3,577	\$3,666	\$2,763	\$4,967

*variable are excluding utilities for comparison purposes to the subject

The expense comparables utilized are considered to be generally similar properties in terms of vintage, operations and asset class from the Birmingham area or similar market areas in the region.

The comparables indicate variable expenses that range from \$1,525 to \$2,841 per unit when excluding utilities, which is typically a property-specific expense. Further, a tighter range for variable expenses from \$1,869 to \$2,093 per unit is indicated by four of the six comparables. Our conclusion of variable expenses equals \$2,030 per unit which falls to the upper aspect of the primary range.

EXPENSE ANALYSIS & CONCLUSIONS

Real Estate Taxes

Subject Historical Range/Unit
Expense Comp. Range/Unit

Ranges/Conclusion

\$548 to \$627
\$245 to \$1,098

Analysis

We placed reliance on the 2012 assessment and the reported planned taxes for 2012. Please see the real estate tax section of the report for further details.

Conclusion

\$585,000 \$542/unit

Additional Tax Charges

Subject Historical Range/Unit
Expense Comp. Range/Unit

Ranges/Conclusion

n/a to n/a
n/a to n/a

Analysis

The additional tax charges are related to the 1% sales tax on rental income charged by the City of Hoover. Our calculation is based on the GPR less the total projected income loss, multiplied by 1%. This expense is due biennially.

Conclusion

\$83,632 \$77/unit

Insurance

Subject Historical Range/Unit
Expense Comp. Range/Unit

Ranges/Conclusion

\$157 to \$192
\$166 to \$352

Analysis

This expense item covers fire, liability, and extended coverage for the subject. Our conclusion is based on the 2012 YTD Annualized amount which is bracketed by the expense comparables.

Conclusion

\$207,158 \$192/unit

Utilities

Subject Historical Range/Unit
Expense Comp. Range/Unit

Ranges/Conclusion

\$1,280 to \$1,558
\$344 to \$1,048

Analysis

Utilities include water, sewer and trash for the complex as well as electric for common areas, vacant units and studio units. Tenants reimburse for water, sewer and trash, but this income has been shown separately and thus this expense is gross. Tenants in the studio units reimburse the landlord for electric expenses. Expense Comps 1 and 2 are showing net amounts (gross not available) and the remainder are showing net expenses. Typically a recovery rate of 45-65% is within market parameters and the expense comparables generally follow this trend. We placed reliance on the historical data and factored in an anticipated increase in the expense in the coming year consistent with the historical upward trend. Our utility reimbursement income is based on about 48% recovery which is consistent with the most recent historical data.

Conclusion

\$1,512,000 \$1,400/unit

Repairs & Maintenance

Subject Historical Range/Unit
Expense Comp. Range/Unit

Ranges/Conclusion

\$143 to \$159
\$99 to \$608

Analysis

This expense item includes expenses related to routine maintenance and repairs. The expense comparables indicate a wide range but a primary range from \$131 to \$161 is indicated. The historical data falls within this range. We have separately allocated turnover and grounds and pest control expenses. Typically, an all-in expense from \$500 to \$750 per unit is typical for properties similar in age to the subject. However, the subject has been significantly renovated and expenses should fall to the low end or outside the low end of the typical range.

Conclusion

\$156,600 \$145/unit

Landscaping & Pest

Subject Historical Range/Unit
Expense Comp. Range/Unit

Ranges/Conclusion

\$168 to \$192
\$84 to \$188

Analysis

This expense category includes the expenses for landscaping and pest control. The historical data is bracketed by the comparable data and reliance was placed on both data sets as an indicator.

Conclusion

\$183,600 \$170/unit

INCOME APPROACH (CONTINUED)

Turnover Expenses

Subject Historical Range/Unit
Majority of Exp. Comp. Range (3)

Conclusion

Ranges/Conclusion

\$72 to \$267
\$149 to \$259

\$216,000 \$200/unit

Analysis

This expense item includes turnover expenses for the subject. The historical data is limited. The historical data is somewhat high and is likely attributed to the recent renovation and new management in-place. We placed reliance on the comparable data as we expect the subject can reduce this expense going forward as operations stabilize.

Management

Subject Historical Range/Unit
Subject Historical Range % EGI
Expense Comp. Range/Unit
Expense Comp. Range % EGI

% of EGI Conclusion

Conclusion

Ranges/Conclusion

\$290 to \$338
4% to 4%
\$231 to \$309
2.4% to 4.6%

**3.00%
\$292,856 \$271/unit**

Analysis

This expense reflects the professional management service for the subject. Properties of a similar size typical incur professional management expenses from 3% to 5% of EGI. The historical data and budget includes this expense at 4.0% but 3.0% could be achieved through third party management for a property this size as is indicated by the comparable data.

Payroll

Subject Historical Range/Unit
Expense Comp. Range/Unit

Conclusion

Ranges/Conclusion

\$839 to \$1,036
\$556 to \$1,233

\$1,033,900 \$957/unit

Analysis

This expense includes wages and salaries for the administrative and maintenance staff. The property appears to be operating within market norms as compared to other properties of similar size. Current operations include 10 FT admin staff members and 11 FT maintenance staff members as well as housekeeping staff. The historical and comparable data brackets our conclusion. We calculated payroll taxes and benefits at 18% of the total payroll cost. Our estimate considers current employment trends. Please see the chart below.

Advertising

Subject Historical Range/Unit
Expense Comp. Range/Unit

Conclusion

Ranges/Conclusion

\$89 to \$169
\$22 to \$113

\$162,000 \$150/unit

Analysis

This category includes advertising expenses for the subject. The historical data is relatively high for the comp set and we concluded between the historical and market data.

INCOME APPROACH (CONTINUED)

Payroll				
Position	FT/PT	# of Empl.	Pay Rate	Total
Administrative				
Office Manager	FT	1	\$60,000	\$60,000
Assistant Manager	FT	2	\$45,000	\$90,000
Leasing Agent	FT	8	\$30,000	\$240,000
Maintenance				
Supervisor	FT	1	\$60,000	\$60,000
Technician	FT	9	\$35,000	\$315,000
Grounds Keeper	FT	1	\$30,000	\$30,000
Other				
Housekeeping	FT	2	\$30,000	\$60,000
Total Direct Payroll				\$855,000
Taxes & Benefits				
@ 18% of Payroll Expenses		18%		\$153,900
Employee Units				\$25,000
Total Payroll Expense			\$957 Per Unit	\$1,033,900

General/Administrative	Ranges/Conclusion		Analysis
Subject Historical Range/Unit	\$91	to \$160	This expense includes accounting, legal fees, other professional fees, and general office costs. The historical data also includes a courtesy officer in this category. We have projected the continued use of a courtesy officer in our analysis. The recent historical data falls below the range indicated by the comparables. We placed reliance on the market data in our conclusion.
Expense Comp. Range/Unit	\$191	to \$394	
Conclusion	\$216,000	\$200/unit	
Reserves	Ranges/Conclusion		Analysis
Subject Historical Range/Unit	-	to -	Reserves for replacements are not typical cash expenditures, but rather the annualized cost of major expense in the future. Expenses for this category generally range from \$200-\$300/unit. The expense conclusion considers the subject's age and condition.
Expense Comp. Range/Unit	-	to -	
Conclusion	\$216,000	\$200/unit	
TOTAL EXPENSES	Ranges/Conclusion		Analysis
Subj. Historical Range/Unit	\$3,896	to \$4,884	Our concluded expenses are considered to be well bracketed by the expense comparables, particularly when including reserves for replacement. Our conclusion is near the budgeted amount and within the range indicated by the sale comparables on a percentage of EGI basis.
Subj. Historical Range/SF	\$3.49	to \$4.37	
Expense Comp. Range/Unit	\$2,763	to \$4,967	
Total Expenses Per SF & Per Unit	\$4.03	\$4,504	
Expense Ratio of PGI & EGI	44.6%	49.8%	
TOTAL EXPENSES	\$4,864,789		

NOI Conclusion

Net Operating Income is equal to the effective gross income less the estimated expenses, and is stated as follows on a per unit, per square foot and per year basis:

NET OPERATING INCOME (NOI)	\$4,534	\$4.03	\$4,897,089
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Historical data was limited and is representative of the property in the lease up and below stabilized operations. Further it is representative of existing management having limited time to bring the property operations up to its full market potential following the renovation. Our conclusion is based on stabilized operations. The 2012 YTD Annualized NOI represents a 16.15% improvement in NOI over 2011 NOI. Further the 2012 YTD Annualized EGI exceeded the budget by over 15.50%. Our conclusion

anticipates a further increase over the 2012 YTD Annualized NOI as the property stabilizes and older leases are brought to market levels and full market potential both in terms of rents and operations is realized following the renovation.

Capitalization Rate

In this section, a capitalization rate for the subject is developed based upon market extraction, band of investments analysis, national survey data and interviews with market participants.

In estimating the appropriate capitalization and yield rates for the subject, we considered the following factors.

Positive Factors Impacting Return Requirements

- Recent substantial renovation will decrease exposure to increased operating expenses associated with repairs and maintenance going forward.
- In the process of being repositioned in the marketplace which provides some upside
- Limited barriers to entry in the immediate area due to zoning regulations limiting density

Risk Factors Impacting Return Requirements

- Market has somewhat limited rent growth potential due to income demographic conditions
- Abundance of distressed assets in the marketplace recently acquired and in the process of renovation and/or stabilization
- Uncertainty associated with the Jefferson County bankruptcy

Market Extraction - An Improved Sales Summation Table is presented in the Sales Comparison Approach section of this report. The overall capitalization rates indicated by these sales are indicated in the table below.

CAPITALIZATION RATE ANALYSIS

COMPARABLES	Subject	Sale Comp 1	Sale Comp 2	Comp 3	Sale Comp 4	Sale Comp 5	Sale Comp 6
Analysis Price:	-	\$20,950,000	\$14,450,000	\$28,500,000	\$22,000,000	\$28,250,000	\$53,250,000
NOI:	-	\$1,588,491	\$939,250	-	\$1,485,000	\$2,118,751	\$3,584,880
Capitalization Rate:	-	7.6%	6.5%	-	6.8%	7.5%	6.7%
Date of Sale:	-	6/29/12	6/8/12	3/29/12	3/22/12	1/3/12	12/1/11

The comparables indicate a range from 6.80% to 7.60% based on in-place and pro forma income. The cap rate concluded by the market extraction method is presented below:

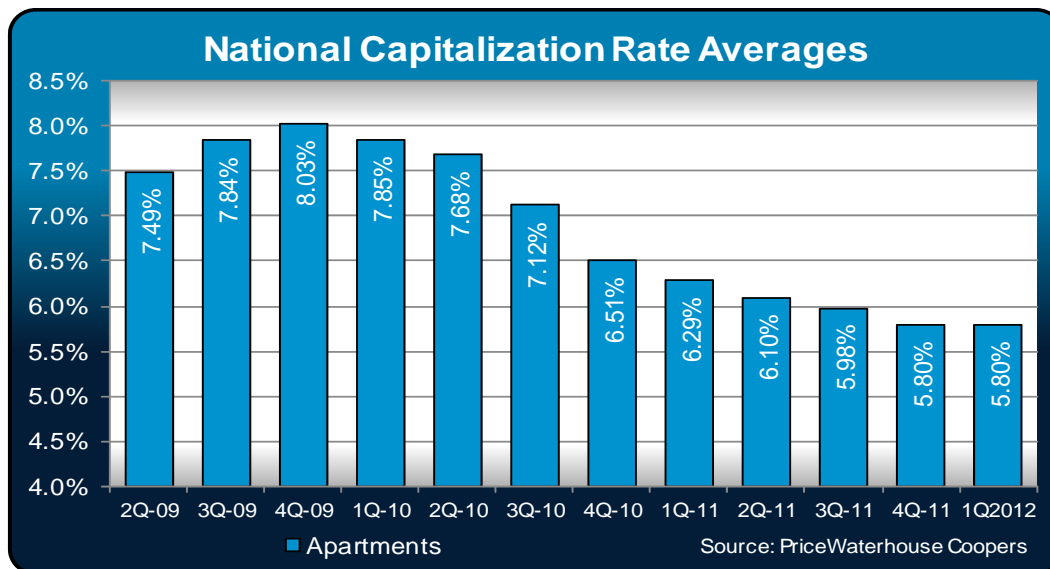
MARKET EXTRACTION METHOD

Capitalization Rate	6.80% - 7.60%
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National Surveys

OARS - INVESTOR SURVEYS				
Source / Property Type	Date	OAR Range		Avg OAR
Real Capital Analytics	1Q2012			
Apartment - National		N/A	- N/A	6.30%
Apartment - Birmingham		N/A	- N/A	N/A
Korpacz, Investor Survey	1Q2012			
National - Apartment		3.75%	- 10.00%	5.83%
Southeast Region - Apartment		5.00%	- 7.00%	5.86%
Realty Rates, Investor Survey	1Q2012			
All Apartments		4.19%	- 14.15%	9.26%
Garden/Suburban Townhomes		4.19%	- 12.69%	8.44%
Hi-Rise/Urban Townhouse		5.30%	- 14.15%	9.54%
Student Housing		4.99%	- 13.97%	9.69%

Source: Various, compiled by CIVAS



In general, most investor surveys are reporting a decrease in OARs over the past quarter and year-over-year. The decrease in the recent quarter is being driven by the lack of quality properties on the market, the current low interest rates, and because most investors feel the market is near the bottom in terms of income. Properties that are generally located in primary markets, or in non-distressed markets, are typically selling for capitalization rates lower than the national average stated above.

Due to the location, we would anticipate the subject to fall above the averages indicated by Korpacz and Real Capital Analytics.

Marcus and Millichap illustrates the inverse relationship between price per unit capitalization rates over the past ten years in their *2012 National Apartment Report*. Cap rates hit their lowest point in 2005 and followed an upward trend since that time until late 2009 when they began to go down again. Year end 2011 the average OAR nationally was 6.50% with \$57B in sales activity.



The subject is located in a secondary market, Birmingham, and a secondary submarket within the metro market. Recognizing the subject's condition, appeal, and complex size the most reasonable cap rate that can be derived from this analysis is presented in the following table.

NATIONAL INVESTOR SURVEY

Capitalization Rate	6.30%- 8.26%
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Band of Investments Technique - Because most properties are purchased with debt and equity capital, the overall capitalization rate must satisfy the market return requirements of both investment positions. Lenders must anticipate receiving a competitive interest rate commensurate with the perceived risk of the investment or they will not make funds available. Lenders also require that the principal amount of the loan be repaid through period amortization payments. Similarly, equity investors must anticipate receiving a competitive equity cash return commensurate with the perceived risk or they will invest their funds elsewhere.

To analyze the capitalization rate from a financial position, the Band of Investment Technique is used. Available financing information from lenders and the sales comparables indicates the following terms:

BAND OF INVESTMENTS ASSUMPTIONS

Loan Amortization Period	30 Years
Interest Rate	4.25%
Loan-to-Value Ratio	80%
Mortgage Constant	0.05903

Equity dividend rates vary depending upon motivations of buyers and financing terms. The previous terms and an appropriate equity dividend rate are used in the Band of Investments calculations, which are presented on the following chart.

BAND OF INVESTMENTS CALCULATION

Mortgage Component	80%	x	0.059	=	0.047
Equity Component	20%	x	0.080	=	0.016
Indicated Capitalization Rate					0.063
Capitalization Rate (rounded):					6.32%

Market Participants - We spoke with a few brokers active in the local market. Following is the information provided by local market participants as it relates specifically to the subject property.

MARKET PARTICIPANTS				
Name	Firm	Market	Date	OAR
Steve Ankenbrandt	Rock Advisors	Alabama	2Q2012	6.75% - 7.25%
Jimmy Adams	Southeast Apartment Partners	Alabama	2Q2012	6.75% - 7.00%
David Oakley	Hendricks & Partners	Alabama	1Q2012	6.50%+
Indicated Rate				6.50%-7.25%

Jefferson County Chapter 9 Filing - As mentioned in the assumptions, Regional Analysis and Apartment Market Analysis, there is uncertainty with the impact of the bankruptcy filing by Jefferson County, Alabama. We interviewed numerous market participants and brokers to determine the known and perceived impact to the real estate market. To date, there are two chief identified concerns that are largely being considered: increased utility costs and County Staff cuts related to a budget shortfall. Thus far, water/sewer rates have increased nearly 10%. A function of the filing was to avoid this increasing by 25-30%. The other concern is the budget shortfall that may result in a need to decrease County staff levels. It is our understanding there is a budget shortfall to the magnitude of \$30-40M which is anticipated to impact employment in the area. The primary meetings related to solving this are scheduled for December, so the material impact it may have is not yet evident. However, local market participants have indicated from their view the media attention is much more dramatic than the impact they have observed.

To date, the impact is largely uncertainty but no real measure of whether this has had a negative impact or some unexpected positive impact to certain property types and/or locations within the marketplace. It should be noted that this potential bankruptcy has been expected for an extended time frame. It is our opinion more of the market perceived risk was already being reflected in pricing and capitalization rates evidenced prior to the actual filing and was already implied in late 2011 sales presented analyzed.

According to Steve Ankenbrandt of Rock Advisors – Alabama, participants active in the local market are not sure what the outcome will be. However, he said that this is not a new issue for investors in this market. There have been sewer rate hikes for the past seven years and any further hikes would be mostly absorbed by the tenants as few properties structure rent in way that puts the landlords a significant risk. As it relates to the potential flight of prospective tenants from Jefferson County, he reported that there is not enough product located outside of Jefferson County for ‘flight’ to be a significant threat. All-in-all, he reported that this is an issue that residents and investors have been dealing with for almost a decade and that any further impact will have to be seen in time.

According to Jimmy Adams at Southeast Apartment Partners - Alabama, it's just too early to tell how investors and lenders will react. He reported that “it maybe scares off 1 out of 10 people, but the reality is properties charge for water in some way in all the good parts of town. So whether you buy or rent, you are paying water/sewer.”

According to David Oakley at Hendricks and Partners - Alabama, “I'm finding that many are more excited about the effect encouraging more rental activity vs. home ownership. [Water/Sewer] Rates will increase across the board so all owners will have to increase rents/charges to cover additional costs. Residents will have to pay for it and I believe the affordability index is still there to cover such increases such as 25% over 5 years. At the end of the day, I believe it could be good that we are finally resolving the issue and you have to remember it is only one line item in the cost section. I believe rents could increase just as much year over year creating a true wash.”

We have considered this in our capitalization rate analysis to the extent we can understand the impact at present. However, as mentioned previously, the impact (if any) on real estate values and more specifically apartment properties such as the subject has not extended beyond the expected increase in water/sewer charges (near 10%) and an increased uncertainty, which we considered in our capitalization rate conclusion.

Capitalization Rate Conclusion - For investments of the subject's general size and price, and when sales activity is brisk with relative market stability, the Market Extraction Method is most often relied upon by buyers and sellers to develop cap rate decisions. In this analysis, substantial recent sales data was available. National Survey data has limited direct application for the subject property; however, it helps establish general macro trends for this type of investment property. The Band of Investments Technique has limitations, but has become an increasingly important factor in OARs for investors as the availability of debt extremely low cost of capital is driving OARs down. Taking all these factors into consideration, the following table summarizes the various cap rate indicators and provides the final cap rate conclusion.

CAPITALIZATION RATE CONCLUSION	
METHOD	RATE
Market Extraction	6.80% - 7.60%
Band of Investment Technique	6.32%
National Investor Survey	6.30% - 8.26%
Market Participants	6.50% - 7.25%
Capitalization Rate Conclusion	6.75%

Direct Capitalization Conclusion

The table below summarizes the Direct Capitalization Method and its value conclusion.

DIRECT CAPITALIZATION SUMMATION TABLE

Income Items	Unit Size (SF)	# of Units	Market Rent	Rent/SF	Monthly	Annual
Rental Income						
0BR/1BA	390	20	\$425	\$1.09	\$8,500	\$102,000
0BR/1BA	512	118	\$515	\$1.01	\$60,770	\$729,240
1BR/1BA	720	80	\$615	\$0.85	\$49,200	\$590,400
1BR/1BA	780	80	\$645	\$0.83	\$51,600	\$619,200
1BR/1.5BA	1,064	80	\$700	\$0.66	\$56,000	\$672,000
1BR/1.5BA	1,180	30	\$750	\$0.64	\$22,500	\$270,000
1BR/2BA	1,313	12	\$745	\$0.57	\$8,940	\$107,280
2BR/2BA	1,075	80	\$710	\$0.66	\$56,800	\$681,600
2BR/2BA	1,100	41	\$775	\$0.70	\$31,775	\$381,300
2BR/2BA	1,304	82	\$755	\$0.58	\$61,910	\$742,920
2BR/2BA	1,315	159	\$795	\$0.60	\$126,405	\$1,516,860
2BR/2BA	1,360	100	\$825	\$0.61	\$82,500	\$990,000
2BR/2BA	1,435	30	\$875	\$0.61	\$26,250	\$315,000
2BR/2BA	1,521	42	\$860	\$0.57	\$36,120	\$433,440
3BR/2BA	1,521	126	\$900	\$0.59	\$113,400	\$1,360,800
Total Rental Income		1,080	\$734	\$0.66	\$792,670	\$9,512,040
Other Income				Per Unit	Monthly	Annual
Utility Reimbursements				\$681	\$61,250	\$735,000
Hoover Tax				\$77	\$6,969	\$83,632
Miscellaneous Income				\$537	\$48,333	\$580,000
Total Other Income				\$1,295	\$116,553	\$1,398,632

POTENTIAL GROSS INCOME (PGI)

\$10,102 \$9.05 \$10,910,672

Income Loss	%	Monthly	Annual
Physical Vacancy - Rental Income	7.0%	\$55,487	\$665,843
Credit Loss - Rental Income	1.0%	\$8,539	\$102,470
Loss to Lease - Rental Income	3.0%	\$23,780	\$285,361
Concessions - Rental Income	1.0%	\$7,927	\$95,120
Total Loss	12%	\$95,733	\$1,148,795

EFFECTIVE GROSS INCOME (EGI)

\$9,039 \$8.09 \$9,761,878

Estimated Expense Items	% of PGI	% of EGI	Total	Per Unit	Per SF
Real Estate Taxes	5.4%	6.0%	\$585,000	\$542	\$0.49
Additional Tax Charges	0.8%	0.9%	\$83,632	\$77	\$0.07
Insurance	1.9%	2.1%	\$207,200	\$192	\$0.17
Utilities	13.9%	15.5%	\$1,512,000	\$1,400	\$1.25
Repairs & Maintenance	1.4%	1.6%	\$156,600	\$145	\$0.13
Landscaping & Pest	1.7%	1.9%	\$183,600	\$170	\$0.15
Turnover Expenses	2.0%	2.2%	\$216,000	\$200	\$0.18
Management	2.7%	3.0%	\$292,856	\$271	\$0.24
Payroll	9.5%	10.6%	\$1,033,900	\$957	\$0.86
Advertising	1.5%	1.7%	\$162,000	\$150	\$0.13
General Administrative	2.0%	2.2%	\$216,000	\$200	\$0.18
Reserves	2.0%	2.2%	\$216,000	\$200	\$0.18
Total	44.6%	49.8%	\$4,864,789	\$4,504	\$4.03

NET OPERATING INCOME (NOI)

\$4,534 \$4.03 \$4,897,089

Valuation of Income	NOI	Divided by	Cap. Rate	Equals	Value
	\$4,897,089	÷	6.75%	=	\$72,549,465

ESTIMATED VALUE (rounded)

\$67,130 \$59.69 \$72,500,000

ANALYSIS OF VALUE CONCLUSIONS

The Analysis of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property.

The **Cost Approach** is based upon the site value, as vacant, measured by comparable land sales. The improvement value is based upon the *Marshall Valuation Service*. This valuation technique has greatest application for proposed or relatively new properties such as the subject as a test of financial feasibility. In addition to the subject's vintage restricting our ability to estimate accrued depreciation, there are few recent, arm's length land transactions, making the underlying land value difficult to extract from the market. Investors typically do not rely on the Cost Approach as an indicator of value for similar investment properties. Therefore, we have not performed the cost approach in this analysis.

The price per unit method and EGIM methods have been presented in the **Sales Comparison Approach**. There have been several recent sales of properties in the market area in the current market conditions, which increases the validity of this approach. However, we recognize that some subjective adjustments were warranted, reducing the reliability of this approach. Recognizing the shifting market conditions, investors would typically give secondary weight to the Sales Comparison Approach in determining value. However, in this market and asset class, price per unit tends to also be a significant driver. As such, approximately 30% weight was given to the indicated value by the sales comparison approach.

The **Income Approach** to value is generally considered to be the best and most accurate measure of the value of income-producing properties. In this analysis, the Direct Capitalization was developed. The value estimate by this approach best reflects the analysis that knowledgeable buyers and sellers carry out in their decision-making processes regarding this type of property. Sufficient market data was available to reliably estimate gross income, vacancy, expenses and capitalization for the subject property. The Income Approach is typically relied upon by most investors of this property type. As such, approximately 70% weight was given to the indicated value by the income capitalization approach.

After considering all factors relevant to the valuation of the subject property, with primary weight on the Income Approach, the concluded value is:

ANALYSIS OF VALUE CONCLUSIONS			
Cost Approach			Not Presented
Sales Comparison Approach			\$71,000,000
Income Approach			\$72,500,000
VALUE SCENARIOS	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Fee Simple	June 30, 2012	\$72,000,000

INSURABLE REPLACEMENT COST ESTIMATE

At the client's request, we have included an estimate of the insurable replacement cost estimate of the subject improvements. The insurable value represents the replacement cost new, of the subject improvements, as defined by *Marshall Valuation Service*, exclusive of land value and profit, and the costs associated with excavation, site work, foundations and architects fees.

Insurance coverage is usually specific to a given project. We have not been provided with the specific policy requirements, which limit the reliability of the conclusion. Insurable Value is a matter of underwriting as opposed to valuation. Users of this report should not construe the conclusion of insurable value to be an indication of market value.

It is also noted that the insurable estimate is made using base costs and multiplier adjustments for market conditions and location from *Marshall Valuation Service*, which is assumed to accurately reflect replacement cost of the subject. We assume no liability as to the subject's insurable replacement cost and recommend that an estimate from a reputable insurance company be obtained if further assurance is required.

The following chart summarizes the insurable replacement cost estimate:

REPLACEMENT COST ESTIMATE TABLE

Marshall Valuation Service Sec./Page/Class	12 / 16 / D
Quality Rating	Average
Gross Building Area	1,303,116 SF
Base Cost (per SF)	\$61.37
Square Foot Refinements	
Appliances	\$1.45
Heating and Cooling	\$0.00
Balconies	\$0.16
Subtotal	\$62.98
Height and Size Refinements	
Height per Story Multiplier	1.000
Area Multiplier	0.927
Subtotal	\$58.38
Cost Multipliers	
Current Cost Multiplier	1.060
Local Multiplier	0.920
Final Square Foot Cost	\$56.94
Base Improvement Cost	\$74,193,053
Insurable Value Exclusions	10% of Total Replacement Cost (\$7,419,305)
Insurable Value Conclusion	\$66,773,748
Rounded	\$66,770,000
Value per Unit	\$61,824
Value per SF	\$51.24

CERTIFICATE OF APPRAISAL

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions of the signers are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The signers of this report have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- The signers are not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute, and the *Uniform Standards of Professional Appraisal Practice*, as set forth by the Appraisal Standards Board of the Appraisal Foundation.
- The signing appraisers have not previously appraised or provided services for the subject property in the three years prior to the engagement for this assignment.
- Amanda Cooper inspected the property that is the subject of this report. Jerry Gisclair, II, MAI, MRICS did not inspect the property that is the subject of this report.
- Amy Blackman, Alabama Certified General Appraiser #G01056, provided significant real property appraisal assistance to appraisers signing this certification.

CERTIFICATE OF APPRAISAL (CONTINUED)

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, Jerry Gisclair, II, MAI, MRICS has completed the continuing education program of the Appraisal Institute.

As of the date of this report, Amanda G. Cooper has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.



Amanda Cooper
Multifamily Valuation Specialist – Southern US
Certified General Real Estate Appraiser
State of Alabama License G01058

August 22, 2012

Date



Jerry Gisclair, II, MAI, MRICS
Regional Managing Director – Southern US
Certified General Real Estate Appraiser
State of Alabama License G00798

August 22, 2012

Date

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

General Assumptions and Conditions

The appraisers may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.

We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.

The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.

Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.

The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.

Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.

This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.

The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.

The statements of value and all conclusions shall apply as of the dates shown herein.

There is no present or contemplated future interest in the property by the appraisers which is not specifically disclosed in this report.

Without the written consent or approval of the authors neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which the appraisers are connected.

This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.

The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.

The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.

An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase I Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.

A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.

This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

ADDENDA

Engagement Letter

Operating Statements

Subject Data

Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

PROFESSIONAL SERVICE AGREEMENT

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

4350 W. Cypress Blvd., Suite 300
Tampa, FL 33607
MAIN +1 813.221.2290
FAX +1 813.224.9403
WEB www.colliers.com/valuationadvisory



August 1, 2012

Jerry Gisclair, MAI MRICS
Regional Managing Director—Southern US/Caribbean
Direct +1 813.871.8531
Jerry.gisclair@colliers.com

Jamaal Madyun
Jr. Financial Analyst
Landmark Residential
825 Parkway Street Suite 4 | Jupiter, FL 33477
Ph: 561.745.8545 ext. 202 | Fax: 561.745.8745
jmadyun@landmarkresidential.com
www.LandmarkResidential.com

RE: Appraisal of Magnolia Glen Apartments (1,080 units)

Dear Mr. Madyun:

Thank you for considering Colliers International Valuation & Advisory Services, Inc. for the assignment identified in the attached Professional Service Agreement. Please sign one copy of the agreement and return it to me, thereby indicating your authorization for us to proceed with this assignment and your acceptance of the attached Terms and Conditions.

PROFESSIONAL SERVICE AGREEMENT

("Agreement")

Project (s):	Magnolia Glen Apartments ("Property") 1,080 units on 99.88 Acres 2135 Centennial Drive, Hoover, Jefferson County, AL 35216
Parties:	Colliers International Valuation & Advisory Services, Inc. ("CIVAS") and Landmark Residential (herein at times referred to as "Client")
Intended User:	The appraisal will be prepared for Landmark Residential. Intended users include the Client. No other users are intended.
Intended Use:	The report to be performed under this Agreement ("Appraisal") is intended only for use in Internal Decision Making. The report is not intended for any other use.
Purpose:	Market Value and Insurable Value
Type of Appraisal:	Self-Contained (see notes)
Rights Appraised:	Leased Fee Interest
Date of Value:	Date of inspection (or other date defined by appraiser)

PROFESSIONAL SERVICE AGREEMENT

CONTINUED

Scope of Work:	<p>CIVAS and/or its designated affiliate will provide the Appraisal in accordance with USPAP, Fannie Mae/Freddie Mac, and the Code of Ethics and Certifications Standards of the Appraisal Institute and State Licensing Laws. In addition, the appraisal will adhere to the guidelines of Arbor Realty Trust. CIVAS will inspect the property, research relevant market data, and perform analysis to the extent necessary to produce credible appraisal results. Based on our discussions with the Client, the Client has requested the following valuation scenario: As Is. CIVAS anticipates developing the following valuation approaches:</p> <ul style="list-style-type: none">➤ Sales Comparison Approach➤ Income Capitalization Approach (including Direct Capitalization analyses) <p>Please note if it's a requirement per your underwriting or guidelines to have all approaches to value, although some approaches may be limited in application.</p> <p>The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request.</p>
Delivery:	<p>Preliminary Valuation: Delivery by August 10th, including summary of supporting comparable sales and direct capitalization analysis</p> <p>Draft Appraisal: Delivery by August 15th, assuming receipt of property specific information in a timely manner.</p> <p>Final Appraisal: Delivered three (3) days after completion of client review and authorization to deliver final report(s).</p>
Professional Fee:	<p>Complete Appraisal: \$6,000</p> <p>Phase I only Preliminary Valuation: \$3,500</p>
Expenses:	<p>Fees include all associated expenses.</p>
No. of Reports	<p>One (1) Electronic Draft Appraisal, One (1) Electronic Final Appraisal and Two (2) printed Color Final Appraisal (at the request of Client)</p>
Retainer:	<p>No retainer is required.</p>
Payment Terms:	<p>CIVAS will invoice Client for the Appraisal in its entirety at the completion of the assignment.</p> <p>Final payment is due and payable within five (5) business days upon delivery of the electronic copy of the Final Appraisal or within thirty (30) days of your receipt of our Draft Appraisal, whichever is sooner. If a Draft Appraisal is requested, the fee is considered earned upon delivery of our Draft Appraisal.</p>
Acceptance Date:	<p>These specifications are subject to modification if this Agreement is not accepted within three (3) business days from the date of this letter.</p>

Terms and Conditions

The attached Terms and Conditions and Specific Property Data Request are deemed a part of this Agreement as though set forth in full herein. The following is a list of information we will need to begin our analysis. Please forward with the Agreement or as soon as possible.

- Survey with Legal Description & Site Size
- Title Report
- Wetland Delineation Map (if applicable)
- Engineering studies, soil tests or environmental assessments
- Ground lease
- Existing Building or Improvement Plans
- Individual Floor or Unit Plans
- Current County Property Tax Bill
- Details on any Sale, Contract, or listing of the property in the past 3 years
- Construction Cost/Budget (within past 3 years)
- Detailed list of personal property items
- Property Condition Report
- Details regarding the historical and future replacement schedule (i.e., carpets, appliances, cabinetry, laundry facilities, HVAC, etc.)
- Capital improvements history (2 years) & budget
- Last three (3) Years & YTD Income & Expenses
- Current Year Budget
- Detailed occupancy report for the past 3 years and YTD
- Detailed current rent roll indicating any vacant units and in-place rents
- Details regarding any pending changes to the rent roll
- Aged Accounts/Delinquency Report
- Details regarding any concessions currently being offered for new and existing tenants
- Marketing plan and/or local competitive study, if available
- Copy of recent Appraisals or Market Studies
- Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process

In addition to the items requested above, please forward any additional materials you would consider relevant in the analysis of the subject property.

PROFESSIONAL SERVICE AGREEMENT

CONTINUED

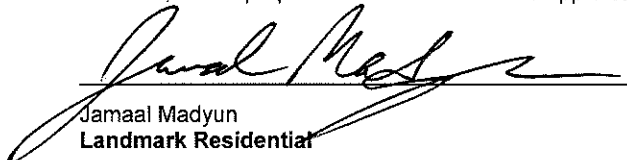
The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. CIVAS is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by CIVAS or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS, by a party satisfactory to CIVAS. CIVAS does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide CIVAS with an Indemnification Agreement and/or Non-Reliance letter.

CIVAS hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

The Appraisal requires CIVAS to submit a Summation of the Appraisal Findings in the form of a Letter of Transmittal along with the Summary of Salient Facts and Special/Limiting Conditions applicable to the Appraisal. This will be completed in conjunction with the Appraisal at the above stated fee.

Our ability to honor the terms of this Agreement will require Client's response within three (3) business days. If you have questions regarding the enclosed, please feel free to contact me. CIVAS appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, Jamaal Madyun/Landmark Residential agree to the above stated terms and authorize Colliers International Valuation & Advisory Services, Inc. to prepare the above referenced appraisal.

 Date: 8-2-12
Jamaal Madyun
Landmark Residential

Respectfully,

Colliers International Valuation & Advisory Services, Inc.

Jerry P. Gisclair II, MAI MRICS
Regional Managing Director – Southern US/Caribbean
Dir +1 813 871 8531 (Tampa) | Mobile +1 813 767 0203
jerry.gisclair@colliers.com

PROFESSIONAL SERVICE AGREEMENT

CONTINUED

TERMS AND CONDITIONS

"T&C"

- 1) The Appraisal will be subject to Colliers International Valuation & Advisory Services, Inc.'s ("CIVAS") Assumptions and Limiting Conditions that are incorporated into each appraisal, and any Extraordinary Assumptions and Hypothetical Conditions that may be incorporated into each appraisal.
- 2) Any capitalized, non-defined words shall have the same meaning as defined in the Agreement to which these T&Cs are attached.
- 3) Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the fee for the Appraisal is not contingent on the appraised value(s) or the outcome of the report(s). Additional fees will be charged on an hourly basis for any work that may exceed the scope of this proposal, including performing additional valuation scenarios, additional research, and conference calls or meetings that may exceed the time allotted by CIVAS for an assignment of this nature. If CIVAS is requested to cease working on the Appraisal for any reason prior to the completion of the appraisal(s), CIVAS will be entitled to bill the Client for the time spent to date at CIVAS' hourly rates for the personnel involved. The Client will be billed a minimum \$500 or at a rate of \$250 per hour for associate time, \$350 per hour for valuation services director, and \$450 per hour for executive managing director. If the Client delays completion of the assignment beyond ninety (90) days, the fee may be renegotiated. This may result in the total fee exceeding the original agreed fee agreed upon cost.
- 4) The fees and expenses shall be due CIVAS as agreed to in the Agreement and these T&Cs. Client agrees to pay all fees and expenses, including attorney's fees, incurred by CIVAS in connection with the collection or attempted collection of the fees and expenses. In the event Client fails to make payments when due and payable, then from the date due and payable until paid the amount due and payable, shall bear interest at 1.5% per month or the maximum rate permitted in the state in which the CIVAS office executing the Agreement is located, whichever is greater.
- 5) The fee is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. If a draft is requested, the fee is considered earned upon delivery of our draft report.
- 6) In the event that either party commences any legal action relating to the provisions of the Agreement, including collection, the prevailing party shall be entitled to its actual attorneys' fees and costs, including those incurred upon appeal. The Agreement shall be governed by and construed in accordance with the laws of the state where the CIVAS office executing the Agreement is located. The venue of any action arising out of the Agreement shall be the county where the CIVAS office executing the Agreement is located. Client will have up to fourteen (14) days from receipt of the Draft Appraisal to review and communicate its review to CIVAS. CIVAS reserves the right to bill Client for additional appraisal efforts that may arise from the Client not responding within this time period.
- 7) All statements of fact in the Appraisal which are used as the basis of the CIVAS' analyses, opinions, and conclusions will be true and correct to the best of the CIVAS' knowledge and belief. CIVAS does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to CIVAS by Client.
- 8) CIVAS shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The Appraisal will not constitute a survey of the Property analyzed.
- 9) Client shall provide CIVAS with such materials with respect to the Appraisal as requested by CIVAS and which are in the possession or under the control of Client. Client shall provide CIVAS with sufficient access to the Property to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.
- 10) The data gathered in the course of the Appraisal (except data furnished by Client) and the Appraisal prepared pursuant to the Agreement are, and will remain, the property of CIVAS. With respect to data provided by Client, such data shall be confidential, and CIVAS shall not disclose any information identified as confidential furnished to CIVAS. Notwithstanding the foregoing, CIVAS is authorized by Client to disclose all or any portion of the Appraisal and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable CIVAS to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
- 11) Unless specifically noted, CIVAS does not assume any duty to analyze or examine the Property or adjacent property for the possible presence of toxic and/or hazardous substances or materials (including but not exclusive to asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material)), or the cost of encapsulation or removal thereof) and accepts no liability regarding the issue. If such materials exist, CIVAS defers to the expertise of professionals specifically trained in analyzing the cost to remediate, which will not be a part of the appraisal fee proposal. The Appraisal will contain a comprehensive disclaimer to this effect.
- 12) CIVAS understands that there is no major or significant deferred maintenance in the Property which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of the fee contemplated in the Agreement.
- 13) Client acknowledges that CIVAS is being retained hereunder as an independent contractor to perform the services described herein and nothing in the Agreement shall be deemed to create any other relationship between Client and CIVAS. The Agreement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal discussed herein.

PROFESSIONAL SERVICE AGREEMENT

CONTINUED

- 14) In the event of any dispute between Client and CIVAS relating to this Agreement, or CIVAS' or Client's performance hereunder, CIVAS and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the CIVAS office executing this Agreement is located. The arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The prevailing party in the arbitration proceeding shall be entitled to recover from the losing party its reasonable expenses, including the costs of arbitration proceeding, and reasonable attorneys' fees.
- 15) Client agrees that its only remedy for losses or damages relating to the Agreement shall be limited to the amount of the appraisal fee paid by the Client. Should the Client, or any other entitled party, make a claim against CIVAS, its directors, officers, employees and other affiliates and shareholders, relating to this engagement or the appraisal(s), the maximum damages recoverable from CIVAS, its directors, officers, employees and other affiliates and shareholders, shall be the amount of funds actually collected by CIVAS under the Agreement, and no claim shall be made for any consequential or punitive damages.
- 16) If CIVAS or any of its employees receives a subpoena or other judicial notification to produce documents or provide testimony involving the Appraisal in connection with a lawsuit or related proceeding, CIVAS will notify the Client of receipt of the subpoena or notification. However, if CIVAS is not part of the lawsuit or proceedings, Client agrees to compensate CIVAS for the professional time required and to reimburse CIVAS for the expenses incurred in responding to any such subpoena or judicial notification, including any attorneys' fees, as they are incurred. CIVAS is to be compensated at the prevailing hourly rates of the personnel responding to the subpoena or command for testimony.
- 17) If expert witness testimony is required in connection with the Appraisal, the following hourly rates will apply. The Client will be billed at the rate of \$250 per hour for associate time, \$350 per hour for valuation services director, and \$450 per hour for executive managing director. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.
- 18) Client shall indemnify and hold CIVAS, its parent, subsidiaries, affiliates, its officers, directors, employees and agents ("CIVAS Indemnities"), fully harmless against all losses, damages, claims, and expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client (including any failure to perform any duty imposed by law), any misrepresentation, distortion or if Client fails to provide complete and accurate information to CIVAS, for which recovery is sought against the CIVAS Indemnities by that third party; however, such obligation to defend and indemnify shall not apply to the extent caused by the negligent act or willful misconduct of CIVAS. Client shall indemnify and hold CIVAS Indemnities harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the Appraisal to any third party. **LIMITATION OF LIABILITY. EXCEPT FOR THE INDEMNIFICATION PROVISION ABOVE, ANYTHING IN THE AGREEMENT TO THE CONTRARY NOTWITHSTANDING, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER. EXCEPT FOR IN NO EVENT WHATSOEVER SHALL CIVAS' TOTAL LIABILITY TO CLIENT FOR DIRECT DAMAGES UNDER THE AGREEMENT OR ANY OTHER DAMAGES WHATSOEVER EXCEED IN THE AGGREGATE THE TOTAL SUM OF FUNDS RECEIVED BY CIVAS FROM CLIENT.**
- 19) The Appraisal and the name Colliers International Valuation & Advisory Services may not be used in any marketing or investment material or offering memoranda without CIVAS' prior written consent. CIVAS, its employees and appraisers have no liability to any recipients of any prepared material, and disclaim all liability to any party other than the Client.
- 20) Unless CIVAS consents in writing, the Appraisal cannot be used by any party or for any purpose other than the Client for the purposes specified in the Agreement. Should the Client provide a copy of this Appraisal to any person or entity not authorized by CIVAS in writing, Client hereby agrees to hold CIVAS, its directors, officers, employees and other affiliates and shareholders, harmless from all damages, expenses, claims and costs, including any attorney's fees. The Client acknowledges that any opinions and conclusions expressed by the professionals of CIVAS pursuant to the Agreement are made as employees and not as individuals. CIVAS' responsibility is limited to the Client, and the use of the Appraisal or related product by third parties shall be solely at the risk of the Client and/or third parties.
- 21) CIVAS agrees to maintain Professional Liability Insurance in the amount of \$1,000,000 and General Liability insurance in the amount of \$2,000,000, as well as workers compensation and shall contain a full waiver of subrogation clause but only to the extent of loss arising from or attributable to CIVAS negligence. Within ten (10) days of the execution of the Agreement, CIVAS will provide Client with certificates of insurance naming Client as an additional insured. CIVAS will endeavor to provide Client with prior written notice regarding any cancellation of any such insurance.
- 22) Please note that CIVAS' consent to allow the Appraisal or portions of the Appraisal, to become part of or be referenced in, any offering or other material intended for the review of others, or to be submitted to others, will be at CIVAS' sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS, by a party satisfactory to CIVAS. CIVAS does consent to Client submission of the complete Appraisal to rating agencies, loan participants or your auditors without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

PROFESSIONAL SERVICE AGREEMENT

CONTINUED

- 23) Client and its affiliates, rating agencies and a limited number of investors involved in the securitization, may use and rely upon CIVAS report in connection with a planned loan securitization involving the Property including, without limitation, utilizing selected information in the Appraisal in the offering documents relating to the securitization and CIVAS agrees to cooperate in answering reasonable questions by any of the above parties in connection with the securitization.

Client agrees that it will not file, use, or permit or cause to be used in any offering documents or any other document any portion or extract of the Appraisal, or any reference to the Appraisal, without first (i) having provided the portion or portions of an offering document or other document to CIVAS for review and (ii) having obtained the prior written consent of CIVAS to any such filing, use, amendment or modification, which consent shall not be unreasonably withheld. CIVAS shall have the right to require Client to include in any offering document or other document disclosure concerning the conditions, qualifications and assumptions of the appraisal and such other disclosure concerning the Appraisal as CIVAS shall reasonably require.

Client can use the appraised value without attribution to the Appraisal, and selected information in the Appraisal, provided Client agrees that it has complied and at all times will comply, and will use Client's best efforts to cause any underwriters to comply, with all applicable Federal and state securities laws in connection with any offering, and offering document and any use of the Appraisal. Client further agrees that neither any offering document nor any other document used in connection with any offering will contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading regarding the Appraisal, or any portion or extract thereof, or any reference to the Appraisal.

Landmark Residential Properties

701 - LM at Magnolia Glen

Trailing 13 Months - Statement of Operations

June 30, 2012

For Comparison														Current		
June	July	August	September	October	November	December	January	February	March	April	May	June			12 Months	
2011	2011	2011	2011	2011	2011	2011	2012	2012	2012	2012	2012	2012	T6		Trailing	

RENT INCOME																
796,750	796,750	796,750	796,750	794,650	796,750	796,750	796,665	796,665	796,665	794,860	794,740	796,245	*****	9,554,240		
(96,210)	(92,999)	(83,749)	(78,316)	(68,008)	(66,456)	(73,654)	(65,756)	(74,370)	(69,488)	(63,069)	(62,819)	(61,002)	*****	(859,686)		
(4,085)	(4,085)	(4,085)	(4,085)	(4,085)	(4,085)	(2,645)	(2,645)	(2,645)	(2,645)	(2,645)	(2,685)	(2,685)	(15,950)	(39,020)		
(2,547)	(2,666)	(2,840)	(3,306)	(5,276)	(4,356)	(5,120)	(5,171)	(4,908)	(5,029)	(5,053)	(4,999)	(4,787)	(29,947)	(53,510)		
(113,597)	(124,824)	(131,184)	(132,453)	(137,213)	(134,418)	(126,090)	(97,807)	(54,084)	(43,677)	(41,073)	(40,474)	(44,876)	*****	(1,108,172)		
580,311	572,176	574,892	578,590	580,069	587,435	589,241	625,286	660,658	675,826	683,021	683,764	682,894	*****	7,493,853		
0																
0																
(736)	(1,483)	(10,877)	(2,833)	(4,466)	(2,892)	(10,091)	(3,596)	(4,266)	(4,619)	(4,859)	(5,191)	(2,969)	(25,500)	(58,141)		
(9,365)	(1,905)	(718)	(6,286)	(19,170)	(12,926)	(23,457)	(18,560)	(37,743)	(2,434)	(6,405)	(16,852)	(13,752)	(95,746)	(160,206)		
24	1,084	(1,133)	239	150	(6)	1,208	764	375	285	(500)	1,232	(1,253)	903	2,446		
(584)	(427)	(535)	(34)	(997)	1,110	837	(625)	(1,842)	1,066	(215)	(151)	36	(1,731)	(1,777)		
(10,661)	(2,731)	(13,263)	(8,913)	(24,483)	(14,713)	(31,503)	(22,017)	(43,476)	(5,702)	(11,979)	(20,962)	(17,938)	*****	(217,678)		
569,650	569,445	561,630	569,677	555,586	572,722	557,739	603,269	617,182	670,124	671,042	662,802	664,956	*****	7,276,174		
0																
0																
6,888	6,947	6,770	7,446	11,946	8,096	7,202	7,989	7,650	7,786	7,489	7,132	7,096	45,141	93,549		
2,729	2,714	2,820	3,079	3,216	3,417	3,145	3,412	3,531	3,623	3,524	3,433	3,492	21,015	39,406		
2,331	2,322	2,257	2,250	2,280	2,257	2,562	3,967	5,601	7,002	8,009	8,578	9,656	42,813	56,741		
225																
225																
0																
39	39	39	39	39	39	44	166	602	97	183	124	131	1,303	1,542		
30,967	30,867	30,466	30,829	30,962	31,110	31,119	38,635	41,166	43,302	43,119	42,481	42,423	251,125	436,478		
6,056	5,974	5,906	6,019	6,112	5,992	5,801	5,702		5,460	5,150	4,857	4,551	25,720	61,524		
74,016	69,651	85,646	89,211	91,552	84,214	82,661	118,654	112,013	103,717	108,575	118,284	114,746	675,989	1,178,924		
0																
643,666	639,096	647,275	658,888	647,138	656,936	640,400	721,923	729,195	773,841	779,617	781,086	779,702	*****	8,455,098		
643,666	639,096	647,275	658,888	647,138	656,936	640,400	721,923	729,195	773,841	779,617	781,086	779,702	*****	8,455,098		

ADV-LEASING-RESIDENT EXPENSE																
ADVERTISING																
5,762	7,545	5,418	4,216	9,599	7,859	5,762	17,342	28,715	22,484	12,553	5,799	4,271	91,163	131,563		
ADMINISTRATIVE EXPENSES																
OFFICE EXPENSE																
5,736	8,245	10,950	11,649	11,826	8,888	8,269	7,532	10,609	7,969	8,291	6,303	7,992	48,695	108,521		
FIXED EXPENSES																
16,187	16,187	16,187	18,101	16,187	17,119	16,163	17,119	17,119	17,119	17,119	17,119	17,984	103,579	203,524		

Landmark Residential Properties

701 - LM at Magnolia Glen

Trailing 13 Months - Statement of Operations

June 30, 2012

		For Comparison														
		June	July	August	September	October	November	December	January	February	March	April	May	Current		
		2011	2011	2011	2011	2011	2011	2011	2012	2012	2012	2012	2012	2012	T6	12 Months
5285	Taxes - Real Estate	55,835	55,835	55,835	55,835	37,840	37,840	28,472	56,449	56,449	56,449	56,449	56,449	56,449	338,694	610,350
52...	Taxes - Other		(0)	1,369							6,457	6,500	6,500	6,500	25,957	27,326
5230	Management Fee	25,099	26,061	26,071	29,263	23,598	26,277	25,616	28,877	29,383	30,520	31,403	31,243	31,188	182,615	339,501
	Total Fixed Expenses	97,122	98,083	99,462	103,199	77,625	81,236	70,251	102,445	102,951	110,545	111,471	111,311	112,121	650,845	1,180,701
	PROPERTY MAINTENANCE EXP															
	BUILDING EXPENSE															
	Total Building Expense	362	115			308	983	(2,000)	8,500	4,472	1,350	1,004	1,350		16,677	16,083
															0	
	CLEANING & HOUSEKEEPING														0	
5360	Cont Clean/Hskp-Off/Mod/HI		525												0	525
5361	Cont Clean/Hskp - Turnkey		820		3,925	2,140	1,300	938	8,290	5,050	4,200	4,200	3,890	3,985	29,615	38,738
5370	Cleaning/Hskp-Supplies		24	(0)		648	200	(19)	392	797	391	350		636	2,566	3,418
5371	Cleaning/Hskp-Supp-Turnkey	485	455												0	455
	Total Cleaning & Housekeeping	485	1,824	(0)	3,925	2,788	1,500	919	8,682	5,847	4,591	4,550	3,890	4,621	32,181	43,137
															0	
	CARPETS & FLOOR COVERINGS														0	
5380	Cont Carpet Clean-Off/Mod/Hal													75	75	75
5381	Cont Carpet Clean - Turnkey	2,725	75	35	220	2,772	645	682	2,115	4,146	2,725	2,728	2,730	2,177	16,621	21,050
5382	Cont Carpet Clean - Renewal		450	450	820	775		360							0	2,855
5385	Cont Carpet Repairs & Dying		805	645	1,087	3,860	941	519	2,293	4,390	1,500	1,480	695	851	11,209	19,067
5390	Contract - Vinyl Repairs		330												0	330
5395	Supp - Carpet/Vinyl Maint				88										0	88
	Total Carpets & Floor Covering	2,725	1,660	1,130	2,215	7,407	1,586	1,561	4,408	8,536	4,225	4,208	3,425	3,103	27,905	43,464
															0	
	ELECTRIC & APPLIANCE REPAIR														0	
	Total Electric & Appliance Rep	1,900	1,642	1,926	1,070	2,741	1,000	318	552	1,399	1,237	1,246	1,250	1,760	7,444	16,142
															0	
	EXTERMINATING														0	
	Total Exterminating	2,081	116	83	1,778	130	1,430	1,264	1,080	1,080	1,620	1,605	1,080	1,305	7,770	12,571
															0	
	GROUNDS - LAWN EXPENSE														0	
	Total Grounds - Lawn Expense	31,577	13,757	13,430	13,430	14,948	13,430	13,518	13,430	14,991	15,643	15,600	11,953	11,823	83,439	165,951
															0	
	HEATING & A/C MAINT														0	
	Total Heating and A/C Maint	(580)	977	3	553	6,485	2,500	762	1,210	473	2,994	3,000	2,998	2,120	12,795	24,075
															0	
	MAINTENANCE - GENERAL EXP														0	
	Total Maint - General Exp	1,203	1,399	859	258	3,455	1,000	800	1,257	2,814	1,827	1,758	1,866	1,463	10,985	18,755
															0	
	MAINTENANCE VEHICLE EXPENSE														0	
	Total Maint Vehicle Exp		82	18						18				74	92	192
															0	
	PAINTING/DECORATING - Interior														0	
5750	Cont Paint/Dec Int-Turnky		450		6,395	8,780	2,610	2,415	21,648	12,150	9,450	9,405	9,450	9,105	71,208	91,858
5751	Cont Paint-Office/Mod/Hall		950	475	2,275			85							0	3,785
5752	Cont Painting - Renewals				725	900		2,925			500	500	75		1,075	5,625

Landmark Residential Properties

701 - LM at Magnolia Glen

Trailing 13 Months - Statement of Operations

June 30, 2012

		For Comparison													
		June 2011	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011	January 2012	February 2012	March 2012	April 2012	May 2012	Current June 2012	12 Months Trailing
5760	Paint/Dec Inter-Matrl-Trnky			(0)	20	575	52	(755)	51	9,595	1,195	1,150	82	12,073	11,964
5761	Cont Pnt MatrIs-Off/Modl/HI						138	(1,200)						0	(1,062)
5762	Cont Paint MatrIs-Renewals					138	(138)							0	
5775	Vinyl (Non-Contract)			211										0	211
	Total Paint/Decor-Interior		1,400	685	9,415	10,393	2,662	3,470	21,698	21,745	11,145	11,055	9,607	9,105	84,356
														0	
	PLUMBING EXPENSE													0	
	Total Plumbing Expense	4	1,137	1,047	4,574	3,264	1,500	(78)	690	5,563	2,250	2,250	1,908	2,714	15,376
														0	26,821
	POOL REPAIRS - MAINTENANCE													0	
	Total Pool Repairs - Maint	4,697	2,716	333	765		36	991	339	50	470	874	1,000	885	3,617
														0	8,458
	REPAIRS - INTERIOR													0	
	Total Repairs - Interior	1,340	1,541	661	1,010	3,374		382	1,250	2,269	2,010	1,973	325	641	8,467
														0	15,436
	REPAIRS - EXTERIOR													0	
	Total Repairs - Exterior	529	2,305	165	150	1,050		767	98					923	1,787
														0	5,457
	SECURITY EXPENSE													0	
	TOTAL SECURITY EXPENSE	671	127	3	97	639	467	500	(169)	500		253		585	2,417
	UTILITIES													0	
	Total Electricity	32,761	42,205	28,909	35,444	32,108	26,452	28,112	32,489	31,029	26,112	27,436	27,626	34,809	179,500
	Total Sanitation-Trash Removal	6,067	5,988	6,144	7,144	6,669	7,304	7,244	7,773	7,020	7,343	7,575	7,292	7,254	44,257
	Total Gas	3,228	2,299	4,073	4,813	2,697	425	2,125	2,716	2,286	2,324	224	1,581	1,457	10,588
	Total Water & Sewar	41,823	50,443	51,604	89,790	93,430	92,739	89,732	88,382	97,385	86,546	85,913	73,727	82,770	514,723
	TOTAL UTILITIES	83,879	100,935	90,730	137,191	134,904	126,921	127,212	131,359	137,720	122,325	121,148	110,226	126,290	749,067
	PAYROLL													0	
	TOTAL PAYROLL EXPENSE	75,232	72,428	78,921	89,784	70,334	95,524	84,611	86,673	81,718	83,766	81,653	78,928	84,045	496,782
														0	988,384
	TOTAL OPERATING EXPENSES	314,725	318,035	305,823	385,279	361,271	348,522	318,511	409,045	431,550	396,468	384,491	353,218	375,256	#####
														0	4,387,468
	* NET OPERATING INCOME *	328,941	321,062	341,452	273,609	285,867	308,414	321,889	312,879	297,645	377,374	395,126	427,867	404,447	#####
														0	4,067,630

2012 Budget

[illegible]

2012 Budget

[illegible]

2012 Budget

[illegible]

2012 Budget

[illegible]

2012 Budget

	For Comparison	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Total	Total	Notes/Comments/Explanations
	September 2011	Jan 2012	Feb 2012	March 2012	April 2012	May 2012	June 2012	July 2012	August 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Budget	Budget	
MISC ADMINISTRATIVE EXPENSE														0		
5200 Accounting														0		
5148 Condo Expenses														0		
5205 Dues & Subscriptions			400		300	400	1,000					500		2,600		
5210 Furn/Appliance Rental														0		
5235 Meals, Lodging - Supervisor		100	100	103	103	103	103	103	103	103	103	103	103	1,225		
5240 Misc Administrative Expense		500	500	513	513	513	513	513	513	513	513	513	513	6,125		
5245 Mileage-Tolls-Pk Reimb-Adm		200	200	205	205	205	205	205	205	205	205	205	205	2,450		
5250 Resident Reimb(Damage-Util,et)														0		
5255 Security Deposit Interest Paid														0		
5265 Uniforms (Administrative)														0		
9999														0		
9999														0		
Total Misc Admin Exp		800	1,200	820	1,120	1,220	1,820	820	820	820	820	1,320	820	12,400	11	
TOTAL ADMINISTRATIVE EXP		11,849	12,349	12,149	12,549	12,649	13,249	12,249	12,249	12,249	12,249	12,749	12,249	148,788	138	
FIXED EXPENSES														0		
52... Insurance		17,119	17,119	17,119	17,119	17,119	17,119	17,119	17,119	17,119	17,119	17,119	17,119	205,428	190	
5285 Taxes - Real Estate		56,449	56,449	56,449	56,449	56,449	56,449	56,449	56,449	56,449	56,449	56,449	56,449	677,386	627	
5287 Hoover Tax		6,019	6,243	6,457	6,671	6,713	6,765	6,803	6,858	6,883	6,916	6,921	6,953	80,204		
52... Taxes - Other														0	-	
5230 Management Fee		27,262	28,198	29,133	29,313	29,543	29,709	29,948	30,059	30,202	30,224	30,362	30,500	354,452		
9999														0		
Total Fixed Expenses		106,849	108,009	109,158	109,552	109,823	110,042	110,319	110,485	110,653	110,708	110,851	111,021	1,317,470	1,220	
PROPERTY MAINTENANCE EXP														0		
BUILDING EXPENSE														0		
5300 Fire Extinguisher Maint		1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	16,200		
5310 Fire Protection		50	50	50	50	50	50	50	50	50	50	50	50	600		
5316 Elevator Contract														0		
5320 Lift Station Maintenance														0		
5330 Mileage-Tolls-Pk Reimb-Mnt														0		
9999														0		
9999														0		
Total Building Expense		1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	16,800	16	
CLEANING & HOUSEKEEPING														0		
5360 Cont Clean/Hskp-Off/Modl/Hl														0		
5361 Cont Clean/Hskp - Turnkey		2,000	2,000	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	46,000		400 punch/clean rehab,20 @ \$100
5370 Cleaning/Hskp-Supplies		200	200	400	400	400	400	400	400	400	400	400	400	4,400		
5371 Cleaning/Hskp-Supp-Turnkey														0		
9999														0		
9999														0		
Total Cleaning & Housekeeping		2,200	2,200	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	50,400	47	
														0		

2012 Budget

		For Comparison	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Total	Total	Notes/Comments/Explanations
		September 2011	Jan 2012	Feb 2012	March 2012	April 2012	May 2012	June 2012	July 2012	August 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Budget	Budget	
CARPETS & FLOOR COVERINGS															0		
5380	Cont Carpet Clean-Off/Modl/Hal														0		
5381	Cont Carpet Clean - Turnkey		1,625	1,625	2,730	2,730	2,730	2,730	2,730	2,730	2,730	2,730	2,730	2,730	30,550		250 cleans in rehab, 25 @ \$65
5382	Cont Carpet Clean - Renewal														0		
5385	Cont Carpet Repairs & Dying		1,050	1,050	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	17,100		150 new carpets in rehab, 7 @ \$150
5390	Contract - Vinyl Repairs														0		
5395	Supp - Carpet/Vinyl Maint														0		
9999															0		
9999															0		
Total Carpets & Floor Covering			2,675	2,675	4,230	4,230	4,230	4,230	4,230	4,230	4,230	4,230	4,230	4,230	47,650	44	
															0		
ELECTRIC & APPLIANCE REPAIR															0		
5410	Appliance - Contract Repairs														0		
5420	Appliance - Parts		100	100	250	250	250	250	250	250	250	250	250	250	2,700		replacing 65% in rehab
5430	Appl - Pts Used Move-In														0		
5440	Electrical - Contract Repairs														0		
5450	Electric Fixtures (Fans,etc)														0		
5460	Electrical - Parts & Supplies		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000		
9999															0		
9999															0		
Total Electric & Appliance Rep			1,100	1,100	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	14,700	14	
															0		
EXTERMINATING															0		
5470	Pest Cont-Contract/Treatmnt		1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	19,440		\$1.5 per unit
5471	Pest Control-Chemicals/Supp														0		
9999															0		
Total Exterminating			1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	19,440	18	
															0		
GROUNDS - LAWN EXPENSE															0		
5500	Grounds/Lawn Contract		15,643	15,643	15,643	15,643	15,643	15,643	15,643	15,643	15,643	15,643	15,643	15,643	187,716		plus mulch and annuals
5505	Grounds-Fertilizer/PestControl														0		
5510	Grounds/Lawn Supplies														0		
5530	Grnds Equip Purch Under \$500														0		
5540	Park Lot/Sidewalk Maintenance														0		
5545	Sprinkler System Maint														0		
9999															0		
9999															0		
Total Grounds - Lawn Expense			15,643	15,643	15,643	15,643	15,643	15,643	15,643	15,643	15,643	15,643	15,643	15,643	187,716	174	
															0		
HEATING & A/C MAINT															0		
5550	Cont Heating A/C System Repair		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000		
5552	Heating & A/C Unit - Filters		500	500	500	500	500	500	500	500	500	500	500	500	6,000		
5555	Heat & A/C - Parts & Supp		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000		75 A/C replaced in rehab
9999															0		

Landmark Residential Properties

Magnolia Glen

2012 Budget

	For Comparison	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget			Notes/Comments/Explanations
	September 2011	Jan 2012	Feb 2012	March 2012	April 2012	May 2012	June 2012	July 2012	August 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Total Budget	Total Budget	
9999														0		
Total Heating and A/C Maint		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000	33	
MAINTENANCE - GENERAL EXP														0		
5600 Beeper - Rental														0		
5610 Maint Equip - Purch Under \$500														0		
5620 Maint Equip - Rental														0		
5630 Maint Equip - Repairs														0		
5640 Maint Repair - Supplies		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000		
5650 Keys & Locks		675	675	750	750	750	750	750	750	750	750	750	750	8,850		
5660 Light Bulb & Fluorescent Tb		250	250	250	250	250	250	250	250	250	250	250	250	3,000		
5670 Uniforms (Maintenance)		1,000								1,000				2,000		
9999														0		
9999														0		
Total Maint - General Exp		2,925	1,925	2,000	2,000	2,000	2,000	2,000	2,000	3,000	2,000	2,000	2,000	25,850	24	
MAINTENANCE VEHICLE EXPENSE														0		
5700 Gas & Oil		25	25	25	25	25	25	25	25	25	25	25	25	300		
5710 Maint Vehicle-Insurance														0		
5720 Maint Vehicle - Repairs														0		
9999														0		
Total Maint Vehicle Exp		25	25	25	25	25	25	25	25	25	25	25	25	300	0	
PAINTING/DECORATING - Interior														0		
5750 Cont Paint/Dec Int-Turnky		9,000	9,000	9,450	9,450	9,450	9,450	9,450	9,450	9,450	9,450	9,450	9,450	112,500		
5751 Cont Paint-Office/Modl/Hall														0		
5752 Cont Painting - Renewals		500	500	500	500	500	500	500	500	500	500	500	500	6,000		
5760 Paint/Dec Inter-Matrl-Trnky		1,000	1,000	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,000		
5761 Cont Pnt Matrls-Off/Modl/Hl														0		
5762 Cont Paint Matrls-Renewals														0		
5770 Cont Install Wallpaper														0		
5771 Wallpaper (Non-Contract)														0		
5775 Vinyl (Non-Contract)														0		
9999														0		
9999														0		
Total Paint/Decor-Interior		10,500	10,500	11,150	11,150	11,150	11,150	11,150	11,150	11,150	11,150	11,150	11,150	132,500	123	
PLUMBING EXPENSE														0		
5800 Plumbing Contract Repairs		700	700	750	750	750	750	750	750	750	750	750	750	8,900		
5810 Plumbing Parts & Supplies		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000		
5820 Water Heaters														0		
9999														0		
Total Plumbing Expense		2,200	2,200	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	26,900	25	

1br - \$180, 2br - \$220, 3br \$250 add
\$100 each if ceiling needs paint,
Avg \$225, 40 @ \$225

Landmark Residential Properties

Magnolia Glen

2012 Budget

	For Comparison	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Total	Total	Notes/Comments/Explanations
	September 2011	Jan 2012	Feb 2012	March 2012	April 2012	May 2012	June 2012	July 2012	August 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Budget	Budget	
POOL REPAIRS - MAINTENANCE														0		
5860 Pool Repairs - Contract														0		
5870 Pool Maint - Contract Service														0		
5880 Pool Chemicals		800	800	800	800	800	800	800	800	800	800	800	800	9,600		
5890 Pool-Other Equip & Supplies		200	200	200	200	200	200	200	200	200	200	200	200	2,400		
9999														0		
Total Pool Repairs - Maint		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	11	
														0		
REPAIRS - INTERIOR														0		
5900 Contract - Interior Repairs		500	500	500	500	500	500	500	500	500	500	500	500	6,000		cabinets, general repairs, tile
5910 Material - Interior Repairs		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000		
59... Windows-Screens-Storm Window		100	100	100	100	100	100	100	100	100	100	100	100	1,200		
9999														0		
Total Repairs - Interior		2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	25,200	23	

2012 Budget

		For Comparison	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Total	Total	Notes/Comments/Explanations
		September 2011	Jan 2012	Feb 2012	March 2012	April 2012	May 2012	June 2012	July 2012	August 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Budget	Budget	
															0		
	REPAIRS - EXTERIOR														0		
5950	Cont-Minor Repair/Addn-Asph Cn														0		
5951	Contract - Exterior Carpentry														0		
5952	Contract - Minor Ext Paint														0		
5954	Contract - Minor Roof Repair														0		
5955	Contract - Gutters/Downspout														0		
5959	Contract - Bldg Improvements														0		lighting
5960	Materials - Asphalt/Concrete														0		
5961	Materials - Carpentry														0		
5962	Materials - Paint														0		
5964	Materials - Roof														0		
5965	Materials - Gutters/Downspout														0		
9999															0		
9999															0		
	Total Repairs - Exterior		0	0	0	0	0	0	0	0	0	0	0	0	0		
	TOTAL PROPERTY MAINT EXP		46,388	45,388	50,268	50,268	50,268	50,268	50,268	50,268	51,268	50,268	50,268	50,268	595,456	551	
															0		
	SECURITY EXPENSE														0		
5990	Security Contract		350	350	350	350	350	350	350	350	350	350	350	350	4,200		
5991	Sec Equip & Repair-Under \$500														0		
5993	Misc Security Expense														0		
9999															0		
	TOTAL SECURITY EXPENSE		350	350	350	350	350	350	350	350	350	350	350	350	4,200	4	
	UTILITIES														0		
	ELECTRICITY														0		
6000	Electricity - Common Area		27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	330,000		
6010	Electricity - Clubhouse (Rm)		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000		
6020	Electricity - Occupied Units														0		
6030	Electricity - Office & Mdls														0		
6040	Electricity - Vacant Units		5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	66,000		
9999															0		
	Total Electricity		35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	420,000	389	
															0		
	SANITATION - TRASH REMOVAL														0		
6050	Garbage/Trash Removal-Contract		7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	93,600		
6052	Valet Waste Services														0		
9999															0		
	Total Sanitation-Trash Removal		7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	93,600	87	
															0		
	GAS														0		
6060	Gas - Common Area		5,400	5,400	5,535	5,535	5,535	5,535	5,535	5,535	5,535	5,535	5,535	5,535	66,150		
6070	Gas - Laundry														0		
6080	Gas - Pool														0		
9999															0		

2012 Budget

[illegible]

2012 Budget

		For Comparison	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Total	Total	Notes/Comments/Explanations
		September 2011	Jan 2012	Feb 2012	March 2012	April 2012	May 2012	June 2012	July 2012	August 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Budget	Budget	
7685	Safety - Bonus														0		
7690	Management - Bonus														0		
9999															0		
	Total Bonuses/Overtime		8,100	8,100	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	94,700	88	
															0		
	TAXES & BENEFITS														0		
79...	Payroll Taxes		10,978	10,978	10,941	10,941	10,941	10,941	10,941	10,941	10,941	10,941	10,941	10,941	131,361		
7900	Health Insurance		6,256	6,256	6,412	6,412	6,412	6,412	6,412	6,412	6,412	6,412	6,412	6,412	76,636		
	Total Taxes & Benefits		17,234	17,234	17,353	17,353	17,353	17,353	17,353	17,353	17,353	17,353	17,353	17,353	207,997	193	
															0		
	TOTAL PAYROLL EXPENSE		90,421	90,421	90,290	90,290	90,290	90,290	90,290	90,290	90,290	90,290	90,290	90,290	1,083,738	1,003	
															0		
	NEW LINE ITEMS														0		
9999															0		
9999															0		
9999															0		
	Total New Line Items		0	0	0	0	0	0	0	0	0	0	0	0	0	-	
															0		
	TOTAL OPERATING EXPENSE		408,226	410,885	421,942	417,842	416,213	419,532	416,309	326,224	329,392	324,448	325,090	327,261	4,543,364	4,207	
															0		
	* NET OPERATING INCOME *		273,337	294,056	306,379	314,980	322,353	323,201	332,388	425,243	425,646	431,157	433,953	435,249	4,317,941	3,998	
															0		
	INTEREST EXPENSE														0		
(9...	Mortgage Interest		160,020	160,020	160,020	160,020	160,020	160,020	160,020	160,020	160,020	160,020	160,020	160,020	1,920,240		
8150	Mortgage Principal														0		
9002	Bond Servicing/Guaranty Fees														0		
	TOTAL DEBT SERVICE		160,020	160,020	160,020	160,020	160,020	160,020	160,020	160,020	160,020	160,020	160,020	160,020	1,920,240	1,778	
															0		
	*INCOME AFTER DEBT SERVICE		113,317	134,036	146,359	154,960	162,333	163,181	172,368	265,223	265,626	271,137	273,933	275,229	2,397,701	2,220	
	AMORTIZATION & DEPRECIATION														0	-	
9120	Amortization Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	-	
9121	Depreciation Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	-	
	TOTAL AMORTIZATION & DEPREC.		0	0	0	0	0	0	0	0	0	0	0	0	0	-	
															0	-	
	*INCOME AFTER INT,AMORT & DEP		113,317	134,036	146,359	154,960	162,333	163,181	172,368	265,223	265,626	271,137	273,933	275,229	2,397,701	2,220	
															0		
	REPOSITIONING ACTIVITIES														0		
5005	Rehab Management														0		
5291	Utility Bond Expense														0		
5480	Termite Bnd Renewl/Treatmnt														0		
5126	Information Systems														0		
5260	Travel - Supervisory Expense														0		
5201	Accounting Partnership														0		
5142	Professional Services														0		
9230	Partnership-Legal Fees														0		

Landmark Residential Properties

Magnolia Glen

2012 Budget

	For Comparison	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget			Notes/Comments/Explanations
	September 2011	Jan 2012	Feb 2012	March 2012	April 2012	May 2012	June 2012	July 2012	August 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Total Budget	Total Budget	
5267 Misc Overhead														0		
7040 Personnel in Training														0		
7672 NOI Bonus														0		
7675 Refinance Bonus														0		
(9... Personal Property Taxes														0		
9235 Disposition Expenses														0		
9240 Loan Cost Write-Off														0		
(9... Appraisal fees														0		
9280 Derivative (Gain) / Loss														0		
(9... Partnership-Miscellaneous														0		
TOTAL REPOSITIONING ACTIVITIES		0	0	0	0	0	0	0	0	0	0	0	0	0	-	
** NET INCOME		113,317	134,036	146,359	154,960	162,333	163,181	172,368	265,223	265,626	271,137	273,933	275,229	2,397,701	2,220	
** REPLACEMENT RESERVE EXPENDITURES														0		
(1... Appliances														0		
1220 Carpets														0		
1221 Drapes & Blinds														0		
1225 Floors														0		
12... HVAC & Mechanical														0		
(1... Office														0		
1250 Plumbing														0		
12... Major Interior														0		
1238 Boat Slips														0		
1276 Replacement Reserve														0		
1260 Landscaping														0		
1252 Painting														0		
1262 Parking Lots														0		
(1... Pool														0		
1255 Roofs														0		
1265 Security														0		
1270 Signage														0		
1275 Water Meter														0		
12... Structural														0		
TOTAL CAPITAL EXPENDITURES		0	0	0	0	0	0	0	0	0	0	0	0	0	-	
NET CASH FLOW SURPLUS/(DEFIC		113,317	134,036	146,359	154,960	162,333	163,181	172,368	265,223	265,626	271,137	273,933	275,229	2,397,701	2,220	

December 31, 2011

CLEANING & HOUSEKEEPING

5360	Cont Clean/Hskp-Off/Modl/Hl		498	4	43		525					97	\$1,167
5361	Cont Clean/Hskp - Turnkey	775	1,585				820	3,925	2,140	1,300	938	1,044	\$12,527
5370	Cleaning/Hskp-Supplies				256		24	(0)	648	200	(19)	101	\$1,210
5371	Cleaning/Hskp-Supp-Turnkey	1,260	1,030			485	455					294	\$3,524
	Total Cleaning & Housekeeping	2,035	3,113	4	299	485	1,824	(0)	3,925	2,788	1,500	919	\$18,427
	CARPETS & FLOOR COVERINGS												
	Total Carpets & Floor Covering	1,075	2,898			2,725	1,660	1,130	2,215	7,407	1,586	1,561	\$24,281
	ELECTRIC & APPLIANCE REPAIR												
	Total Electric & Appliance Rep		1,885	3,578	1,142	1,900	1,642	1,926	1,070	2,741	1,000	318	\$18,766
	EXTERMINATING												
5470	Pest Cont-Contract/Treatmnt		1,870	125	950	2,081	88	83	1,778	130	1,430	1,264	\$10,689
5471	Pest Control-Chemicals/Supp				950		28					89	\$1,067
	Total Exterminating		1,870	125	1,900	2,081	116	83	1,778	130	1,430	1,264	\$11,757
	GROUPS - LAWN EXPENSE												
	Total Grounds - Lawn Expense	13,800	13,800	38	13,602	31,577	13,757	13,430	13,430	14,948	13,430	13,518	\$169,451
	HEATING & A/C MAINT												
	Total Heating and A/C Maint		2,988	7,901	983	(580)	977	3	553	6,485	2,500	762	\$24,625
	MAINTENANCE - GENERAL EXP												
	Total Maint - General Exp		1,514	2,132	1,907	1,203	1,399	859	258	3,455	1,000	800	\$15,847
	MAINTENANCE VEHICLE EXPENSE												
	Total Maint Vehicle Exp			83			82	18				17	\$200
	PAINTING/DECORATING - Interior												
5750	Cont Paint/Dec Int-Turnky		1,385		37		450	6,395	8,780	2,610	2,415	2,007	\$24,078
5751	Cont Paint-Office/Modl/Hall						950	475	2,275		85	344	\$4,129
5752	Cont Painting - Renewals							725	900		2,925	414	\$4,964
5760	Paint/Dec Inter-Matrl-Tmky	6,685	475					(0)	20	575	52	(755)	\$7,692
5761	Cont Pnt Matrls-Off/Modl/Hl										138	(1,200)	(\$1,158)
5762	Cont Paint Matrls-Renewals									138	(138)	0	
5775	Vinyl (Non-Contract)						211					19	\$230
	Total Paint/Decor-Interior	6,685	1,860		37		1,400	685	9,415	10,393	2,662	3,470	\$39,934
	PLUMBING EXPENSE												
	Total Plumbing Expense		2,052	10,990	3,531	4	1,137	1,047	4,574	3,264	1,500	(78)	\$30,568
	POOL REPAIRS - MAINTENANCE												
	Total Pool Repairs - Maint				1,678	4,697	2,716	333	765	36	991	1,020	\$12,236
	REPAIRS - INTERIOR												
	Total Repairs - Interior		1,497	250	333	1,340	1,541	661	1,010	3,374		382	\$11,332
	REPAIRS - EXTERIOR												
	Total Repairs - Exterior	200	1,925	750		529	2,305	165	150	1,050		643	\$7,717
	TOTAL PROPERTY MAINT EXP	23,795	35,401	25,959	25,411	46,324	30,672	20,339	39,143	56,344	27,627	21,907	\$385,005
	SECURITY EXPENSE												
5990	Security Contract		499		499	671	127	3	97	639	467	500	\$3,821
	TOTAL SECURITY EXPENSE		499		499	671	127	3	97	639	467	500	\$3,821
	UTILITIES												
	ELECTRICITY												
	Total Electricity	29,294	26,119	20,200	35,739	32,761	42,205	28,909	35,444	32,108	26,452	28,112	\$368,010
	SANITATION - TRASH REMOVAL												
	Total Sanitation-Trash Removal	5,000	2,404	4,000	8,471	6,067	5,988	6,144	7,144	6,669	7,304	7,244	\$72,474

GAS													
Total Gas	4,745	1,420	6,067	3,438	3,228	2,299	4,073	4,813	2,697	425	2,125	3,212	\$38,542
WATER & SEWER													
Total Water & Sewar	77,982	77,000	76,577	87,313	41,823	50,443	51,604	89,790	93,430	92,739	89,732	75,312	\$903,745
TOTAL UTILITIES	117,021	106,943	106,844	134,961	83,879	100,935	90,730	137,191	134,904	126,921	127,212	115,231	\$1,382,772
PAYROLL													
TOTAL PAYROLL EXPENSE	49,194	69,081	58,112	62,454	75,232	72,428	78,921	89,784	70,334	95,524	84,611	73,243	\$878,917
TOTAL OPERATING EXPENSES	297,412	315,314	302,505	324,999	314,725	318,035	305,823	385,279	361,271	348,522	318,511	326,582	\$3,918,978
* NET OPERATING INCOME *	372,969	337,601	355,257	346,412	328,941	321,062	341,452	273,609	285,867	308,414	321,889	326,679	\$3,920,153

SSI476
AL701
Select: 08/02/12
1,080 Apts, 1,204,792 Sq. Ft.

Rent By Type
Landmark Residential
Landmark at Magnolia Glen
August 2, 2012

Page: 1
08/2012
08/02/12
14:30

Apt Type	Sq. Ft	Gross Potential			Market Rent			Diff
		Monthly	Total	\$/Sq. Ft	Monthly	Total	\$/Sq. Ft	
A1	720	1 Occupied At 10.00	10.00	0.014	620.00	620.00	0.861	(610.00)
A1	720	1 Occupied At 456.00	456.00	0.633	620.00	620.00	0.861	(164.00)
A1	720	1 Occupied At 506.00	506.00	0.703	620.00	620.00	0.861	(114.00)
A1	720	1 Occupied At 515.00	515.00	0.715	620.00	620.00	0.861	(105.00)
A1	720	1 Occupied At 520.00	520.00	0.722	620.00	620.00	0.861	(100.00)
A1	720	11 Occupied At 522.00	5,742.00	0.725	620.00	6,820.00	0.861	(1,078.00)
A1	720	3 Occupied At 525.00	1,575.00	0.729	620.00	1,860.00	0.861	(285.00)
A1	720	1 Occupied At 544.00	544.00	0.756	620.00	620.00	0.861	(76.00)
A1	720	1 Occupied At 549.00	549.00	0.763	620.00	620.00	0.861	(71.00)
A1	720	1 Occupied At 559.00	559.00	0.776	620.00	620.00	0.861	(61.00)
A1	720	2 Occupied At 560.00	1,120.00	0.778	620.00	1,240.00	0.861	(120.00)
A1	720	3 Occupied At 565.00	1,695.00	0.785	620.00	1,860.00	0.861	(165.00)
A1	720	9 Occupied At 570.00	5,130.00	0.792	620.00	5,580.00	0.861	(450.00)
A1	720	2 Occupied At 575.00	1,150.00	0.799	620.00	1,240.00	0.861	(90.00)
A1	720	2 Occupied At 580.00	1,160.00	0.806	620.00	1,240.00	0.861	(80.00)
A1	720	3 Occupied At 585.00	1,755.00	0.813	620.00	1,860.00	0.861	(105.00)
A1	720	1 Occupied At 590.00	590.00	0.819	620.00	620.00	0.861	(30.00)
A1	720	1 Occupied At 591.00	591.00	0.821	620.00	620.00	0.861	(29.00)
A1	720	3 Occupied At 595.00	1,785.00	0.826	620.00	1,860.00	0.861	(75.00)
A1	720	7 Occupied At 600.00	4,200.00	0.833	620.00	4,340.00	0.861	(140.00)
A1	720	1 Occupied At 605.00	605.00	0.840	620.00	620.00	0.861	(15.00)
A1	720	7 Occupied At 610.00	4,270.00	0.847	620.00	4,340.00	0.861	(70.00)
A1	720	1 Occupied At 615.00	615.00	0.854	620.00	620.00	0.861	(5.00)
A1	720	2 Occupied At 620.00	1,240.00	0.861	620.00	1,240.00	0.861	0.00
A1	720	2 Occupied At 624.00	1,248.00	0.867	620.00	1,240.00	0.861	8.00
A1	720	3 Occupied At 625.00	1,875.00	0.868	620.00	1,860.00	0.861	15.00
A1	720	1 Occupied At 630.00	630.00	0.875	620.00	620.00	0.861	10.00
A1	720	1 Occupied At 635.00	635.00	0.882	620.00	620.00	0.861	15.00
A1	720	4 Occupied At 645.00	2,580.00	0.896	620.00	2,480.00	0.861	100.00
A1	720	1 Occupied At 660.00	660.00	0.917	620.00	620.00	0.861	40.00
A1	720	1 Occupied At 660.00	660.00	0.917	660.00	660.00	0.917	0.00
A1	720	1 Vacant At 620.00	620.00	0.861	620.00	620.00	0.861	0.00

Total :	57,600	80	45,790.00	0.795		49,640.00	0.862	(3,850.00)
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Average rent per unit (Gross Potential): 572.38

Average rent per unit (Gross Possible): 620.50

Average occupied rent per unit (Gross Potential): 571.77

A2	780	1 Occupied At 505.00	505.00	0.647	660.00	660.00	0.846	(155.00)
A2	780	2 Occupied At 522.00	1,044.00	0.669	660.00	1,320.00	0.846	(276.00)
A2	780	2 Occupied At 535.00	1,070.00	0.686	660.00	1,320.00	0.846	(250.00)
A2	780	3 Occupied At 555.00	1,665.00	0.712	660.00	1,980.00	0.846	(315.00)
A2	780	1 Occupied At 560.00	560.00	0.718	660.00	660.00	0.846	(100.00)
A2	780	18 Occupied At 562.00	10,116.00	0.721	660.00	11,880.00	0.846	(1,764.00)
A2	780	1 Occupied At 565.00	565.00	0.724	660.00	660.00	0.846	(95.00)
A2	780	1 Occupied At 568.00	568.00	0.728	660.00	660.00	0.846	(92.00)
A2	780	1 Occupied At 570.00	570.00	0.731	660.00	660.00	0.846	(90.00)
A2	780	1 Occupied At 572.00	572.00	0.733	660.00	660.00	0.846	(88.00)
A2	780	2 Occupied At 575.00	1,150.00	0.737	660.00	1,320.00	0.846	(170.00)
A2	780	4 Occupied At 579.00	2,316.00	0.742	660.00	2,640.00	0.846	(324.00)
A2	780	1 Occupied At 581.00	581.00	0.745	660.00	660.00	0.846	(79.00)
A2	780	2 Occupied At 585.00	1,170.00	0.750	660.00	1,320.00	0.846	(150.00)
A2	780	1 Occupied At 586.00	586.00	0.751	660.00	660.00	0.846	(74.00)
A2	780	3 Occupied At 595.00	1,785.00	0.763	660.00	1,980.00	0.846	(195.00)
A2	780	1 Occupied At 598.00	598.00	0.767	660.00	660.00	0.846	(62.00)
A2	780	1 Occupied At 599.00	599.00	0.768	660.00	660.00	0.846	(61.00)

SSI476
AL701
Select: 08/02/12
1,080 Apts, 1,204,792 Sq. Ft.

Rent By Type
Landmark Residential
Landmark at Magnolia Glen
August 2, 2012

Page: 2
08/2012
08/02/12
14:30

Apt Type	Sq. Ft		Gross Potential			Market Rent			
			Monthly	Total	\$/Sq. Ft	Monthly	Total	\$/Sq. Ft	Diff
A2	780	1 Occupied At	600.00	600.00	0.769	660.00	660.00	0.846	(60.00)
A2	780	1 Occupied At	604.00	604.00	0.774	660.00	660.00	0.846	(56.00)
A2	780	1 Occupied At	617.00	617.00	0.791	660.00	660.00	0.846	(43.00)
A2	780	2 Occupied At	620.00	1,240.00	0.795	660.00	1,320.00	0.846	(80.00)
A2	780	1 Occupied At	622.00	622.00	0.797	660.00	660.00	0.846	(38.00)
A2	780	2 Occupied At	625.00	1,250.00	0.801	660.00	1,320.00	0.846	(70.00)
A2	780	1 Occupied At	627.00	627.00	0.804	660.00	660.00	0.846	(33.00)
A2	780	1 Occupied At	632.00	632.00	0.810	660.00	660.00	0.846	(28.00)
A2	780	1 Occupied At	634.00	634.00	0.813	660.00	660.00	0.846	(26.00)
A2	780	3 Occupied At	635.00	1,905.00	0.814	660.00	1,980.00	0.846	(75.00)
A2	780	1 Occupied At	640.00	640.00	0.821	660.00	660.00	0.846	(20.00)
A2	780	1 Occupied At	650.00	650.00	0.833	660.00	660.00	0.846	(10.00)
A2	780	1 Occupied At	655.00	655.00	0.840	660.00	660.00	0.846	(5.00)
A2	780	1 Occupied At	660.00	660.00	0.846	660.00	660.00	0.846	0.00
A2	780	2 Occupied At	675.00	1,350.00	0.865	660.00	1,320.00	0.846	30.00
A2	780	3 Occupied At	685.00	2,055.00	0.878	660.00	1,980.00	0.846	75.00
A2	780	2 Occupied At	695.00	1,390.00	0.891	660.00	1,320.00	0.846	70.00
A2	780	2 Occupied At	710.00	1,420.00	0.910	660.00	1,320.00	0.846	100.00
A2	780	7 Vacant At	660.00	4,620.00	0.846	660.00	4,620.00	0.846	0.00
Total :	62,400	80		48,191.00	0.772		52,800.00	0.846	(4,609.00)

Average rent per unit (Gross Potential): 602.39

Average rent per unit (Gross Possible): 660.00

Average occupied rent per unit (Gross Potential): 596.86

A3	1,064	1 Occupied At	544.00	544.00	0.511	700.00	700.00	0.658	(156.00)
A3	1,064	1 Occupied At	560.00	560.00	0.526	700.00	700.00	0.658	(140.00)
A3	1,064	2 Occupied At	577.00	1,154.00	0.542	700.00	1,400.00	0.658	(246.00)
A3	1,064	1 Occupied At	578.00	578.00	0.543	700.00	700.00	0.658	(122.00)
A3	1,064	1 Occupied At	584.00	584.00	0.549	700.00	700.00	0.658	(116.00)
A3	1,064	16 Occupied At	602.00	9,632.00	0.566	700.00	11,200.00	0.658	(1,568.00)
A3	1,064	2 Occupied At	605.00	1,210.00	0.569	700.00	1,400.00	0.658	(190.00)
A3	1,064	1 Occupied At	608.00	608.00	0.571	700.00	700.00	0.658	(92.00)
A3	1,064	1 Occupied At	612.00	612.00	0.575	700.00	700.00	0.658	(88.00)
A3	1,064	2 Occupied At	615.00	1,230.00	0.578	700.00	1,400.00	0.658	(170.00)
A3	1,064	1 Occupied At	618.00	618.00	0.581	700.00	700.00	0.658	(82.00)
A3	1,064	1 Occupied At	620.00	620.00	0.583	700.00	700.00	0.658	(80.00)
A3	1,064	1 Occupied At	628.00	628.00	0.590	700.00	700.00	0.658	(72.00)
A3	1,064	1 Occupied At	629.00	629.00	0.591	700.00	700.00	0.658	(71.00)
A3	1,064	3 Occupied At	635.00	1,905.00	0.597	700.00	2,100.00	0.658	(195.00)
A3	1,064	1 Occupied At	639.00	639.00	0.601	700.00	700.00	0.658	(61.00)
A3	1,064	1 Occupied At	640.00	640.00	0.602	700.00	700.00	0.658	(60.00)
A3	1,064	1 Occupied At	644.00	644.00	0.605	700.00	700.00	0.658	(56.00)
A3	1,064	1 Occupied At	647.50	647.50	0.609	700.00	700.00	0.658	(52.50)
A3	1,064	1 Occupied At	650.00	650.00	0.611	700.00	700.00	0.658	(50.00)
A3	1,064	1 Occupied At	652.00	652.00	0.613	700.00	700.00	0.658	(48.00)
A3	1,064	1 Occupied At	655.00	655.00	0.616	700.00	700.00	0.658	(45.00)
A3	1,064	1 Occupied At	659.00	659.00	0.619	700.00	700.00	0.658	(41.00)
A3	1,064	1 Occupied At	664.00	664.00	0.624	700.00	700.00	0.658	(36.00)
A3	1,064	2 Occupied At	665.00	1,330.00	0.625	700.00	1,400.00	0.658	(70.00)
A3	1,064	4 Occupied At	670.00	2,680.00	0.630	700.00	2,800.00	0.658	(120.00)
A3	1,064	1 Occupied At	674.00	674.00	0.633	700.00	700.00	0.658	(26.00)
A3	1,064	5 Occupied At	685.00	3,425.00	0.644	700.00	3,500.00	0.658	(75.00)
A3	1,064	1 Occupied At	692.00	692.00	0.650	700.00	700.00	0.658	(8.00)
A3	1,064	2 Occupied At	695.00	1,390.00	0.653	700.00	1,400.00	0.658	(10.00)
A3	1,064	3 Occupied At	700.00	2,100.00	0.658	700.00	2,100.00	0.658	0.00

SSI476
AL701
Select: 08/02/12
1,080 Apts, 1,204,792 Sq. Ft.

Rent By Type
Landmark Residential
Landmark at Magnolia Glen
August 2, 2012

Page: 3
08/2012
08/02/12
14:30

Apt Type	Sq. Ft		Gross Potential			Market Rent			Diff
			Monthly	Total	\$/Sq. Ft	Monthly	Total	\$/Sq. Ft	
A3	1,064	1 Occupied At	705.00	705.00	0.663	700.00	700.00	0.658	5.00
A3	1,064	1 Occupied At	710.00	710.00	0.667	700.00	700.00	0.658	10.00
A3	1,064	1 Occupied At	715.00	715.00	0.672	700.00	700.00	0.658	15.00
A3	1,064	1 Occupied At	719.00	719.00	0.676	700.00	700.00	0.658	19.00
A3	1,064	1 Occupied At	729.00	729.00	0.685	700.00	700.00	0.658	29.00
A3	1,064	1 Occupied At	740.00	740.00	0.695	700.00	700.00	0.658	40.00
A3	1,064	4 Occupied At	750.00	3,000.00	0.705	700.00	2,800.00	0.658	200.00
A3	1,064	1 Occupied At	760.00	760.00	0.714	700.00	700.00	0.658	60.00
A3	1,064	7 Vacant At	700.00	4,900.00	0.658	700.00	4,900.00	0.658	0.00

Total : 85,120 80 52,231.50 0.614 56,000.00 0.658 (3,768.50)

Average rent per unit (Gross Potential): 652.89

Average rent per unit (Gross Possible): 700.00

Average occupied rent per unit (Gross Potential): 648.38

A4	1,180	1 Occupied At	569.00	569.00	0.482	755.00	755.00	0.640	(186.00)
A4	1,180	1 Occupied At	599.00	599.00	0.508	755.00	755.00	0.640	(156.00)
A4	1,180	1 Occupied At	640.00	640.00	0.542	755.00	755.00	0.640	(115.00)
A4	1,180	1 Occupied At	642.00	642.00	0.544	755.00	755.00	0.640	(113.00)
A4	1,180	11 Occupied At	657.00	7,227.00	0.557	755.00	8,305.00	0.640	(1,078.00)
A4	1,180	2 Occupied At	660.00	1,320.00	0.559	755.00	1,510.00	0.640	(190.00)
A4	1,180	2 Occupied At	685.00	1,370.00	0.581	755.00	1,510.00	0.640	(140.00)
A4	1,180	1 Occupied At	690.00	690.00	0.585	755.00	755.00	0.640	(65.00)
A4	1,180	2 Occupied At	700.00	1,400.00	0.593	755.00	1,510.00	0.640	(110.00)
A4	1,180	1 Occupied At	715.00	715.00	0.606	755.00	755.00	0.640	(40.00)
A4	1,180	1 Occupied At	734.00	734.00	0.622	755.00	755.00	0.640	(21.00)
A4	1,180	1 Occupied At	750.00	750.00	0.636	755.00	755.00	0.640	(5.00)
A4	1,180	1 Occupied At	805.00	805.00	0.682	755.00	755.00	0.640	50.00
A4	1,180	1 Occupied At	815.00	815.00	0.691	755.00	755.00	0.640	60.00
A4	1,180	3 Vacant At	755.00	2,265.00	0.640	755.00	2,265.00	0.640	0.00

Total : 35,400 30 20,541.00 0.580 22,650.00 0.640 (2,109.00)

Average rent per unit (Gross Potential): 684.70

Average rent per unit (Gross Possible): 755.00

Average occupied rent per unit (Gross Potential): 676.89

A5	1,313	3 Occupied At	675.00	2,025.00	0.514	740.00	2,220.00	0.564	(195.00)
A5	1,313	1 Occupied At	697.00	697.00	0.531	740.00	740.00	0.564	(43.00)
A5	1,313	1 Occupied At	718.00	718.00	0.547	740.00	740.00	0.564	(22.00)
A5	1,313	1 Occupied At	725.00	725.00	0.552	740.00	740.00	0.564	(15.00)
A5	1,313	1 Occupied At	740.00	740.00	0.564	740.00	740.00	0.564	0.00
A5	1,313	2 Occupied At	759.00	1,518.00	0.578	740.00	1,480.00	0.564	38.00
A5	1,313	1 Occupied At	780.00	780.00	0.594	740.00	740.00	0.564	40.00
A5	1,313	1 Occupied At	795.00	795.00	0.605	740.00	740.00	0.564	55.00
A5	1,313	1 Vacant At	740.00	740.00	0.564	740.00	740.00	0.564	0.00

Total : 15,756 12 8,738.00 0.555 8,880.00 0.564 (142.00)

Average rent per unit (Gross Potential): 728.17

Average rent per unit (Gross Possible): 740.00

Average occupied rent per unit (Gross Potential): 727.09

B1	1,075	1 Occupied At	520.00	520.00	0.484	700.00	700.00	0.651	(180.00)
B1	1,075	2 Occupied At	560.00	1,120.00	0.521	700.00	1,400.00	0.651	(280.00)
B1	1,075	1 Occupied At	590.00	590.00	0.549	700.00	700.00	0.651	(110.00)
B1	1,075	1 Occupied At	593.00	593.00	0.552	700.00	700.00	0.651	(107.00)
B1	1,075	2 Occupied At	600.00	1,200.00	0.558	700.00	1,400.00	0.651	(200.00)
B1	1,075	24 Occupied At	602.00	14,448.00	0.560	700.00	16,800.00	0.651	(2,352.00)
B1	1,075	1 Occupied At	610.00	610.00	0.567	700.00	700.00	0.651	(90.00)
B1	1,075	1 Occupied At	612.00	612.00	0.569	700.00	700.00	0.651	(88.00)

SSI476
AL701
Select: 08/02/12
1,080 Apts, 1,204,792 Sq. Ft.

Rent By Type
Landmark Residential
Landmark at Magnolia Glen
August 2, 2012

Page: 4
08/2012
08/02/12
14:30

Apt Type	Sq. Ft	Gross Potential			Market Rent			Diff
		Monthly	Total	\$/Sq. Ft	Monthly	Total	\$/Sq. Ft	
B1	1,075	1 Occupied At 614.00	614.00	0.571	700.00	700.00	0.651	(86.00)
B1	1,075	1 Occupied At 615.00	615.00	0.572	700.00	700.00	0.651	(85.00)
B1	1,075	1 Occupied At 620.00	620.00	0.577	700.00	700.00	0.651	(80.00)
B1	1,075	1 Occupied At 623.00	623.00	0.580	700.00	700.00	0.651	(77.00)
B1	1,075	1 Occupied At 625.00	625.00	0.581	700.00	700.00	0.651	(75.00)
B1	1,075	2 Occupied At 630.00	1,260.00	0.586	700.00	1,400.00	0.651	(140.00)
B1	1,075	1 Occupied At 639.00	639.00	0.594	700.00	700.00	0.651	(61.00)
B1	1,075	1 Occupied At 642.00	642.00	0.597	700.00	700.00	0.651	(58.00)
B1	1,075	1 Occupied At 644.00	644.00	0.599	700.00	700.00	0.651	(56.00)
B1	1,075	1 Occupied At 649.00	649.00	0.604	700.00	700.00	0.651	(51.00)
B1	1,075	3 Occupied At 659.00	1,977.00	0.613	700.00	2,100.00	0.651	(123.00)
B1	1,075	1 Occupied At 665.00	665.00	0.619	700.00	700.00	0.651	(35.00)
B1	1,075	1 Occupied At 685.00	685.00	0.637	700.00	700.00	0.651	(15.00)
B1	1,075	4 Occupied At 695.00	2,780.00	0.647	700.00	2,800.00	0.651	(20.00)
B1	1,075	3 Occupied At 700.00	2,100.00	0.651	700.00	2,100.00	0.651	0.00
B1	1,075	1 Occupied At 701.00	701.00	0.652	700.00	700.00	0.651	1.00
B1	1,075	1 Occupied At 709.00	709.00	0.660	700.00	700.00	0.651	9.00
B1	1,075	4 Occupied At 710.00	2,840.00	0.660	700.00	2,800.00	0.651	40.00
B1	1,075	1 Occupied At 715.00	715.00	0.665	700.00	700.00	0.651	15.00
B1	1,075	1 Occupied At 719.00	719.00	0.669	700.00	700.00	0.651	19.00
B1	1,075	1 Occupied At 725.00	725.00	0.674	700.00	700.00	0.651	25.00
B1	1,075	1 Occupied At 734.00	734.00	0.683	700.00	700.00	0.651	34.00
B1	1,075	3 Occupied At 735.00	2,205.00	0.684	700.00	2,100.00	0.651	105.00
B1	1,075	4 Occupied At 745.00	2,980.00	0.693	700.00	2,800.00	0.651	180.00
B1	1,075	2 Occupied At 764.00	1,528.00	0.711	700.00	1,400.00	0.651	128.00
B1	1,075	5 Vacant At 700.00	3,500.00	0.651	700.00	3,500.00	0.651	0.00

Total :	86,000	80	52,187.00	0.607		56,000.00	0.651	(3,813.00)
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Average rent per unit (Gross Potential): 652.34

Average rent per unit (Gross Possible): 700.00

Average occupied rent per unit (Gross Potential): 649.16

B2	1,100	1 Occupied At 548.00	548.00	0.498	780.00	780.00	0.709	(232.00)
B2	1,100	1 Occupied At 602.00	602.00	0.547	780.00	780.00	0.709	(178.00)
B2	1,100	1 Occupied At 625.00	625.00	0.568	780.00	780.00	0.709	(155.00)
B2	1,100	1 Occupied At 630.00	630.00	0.573	780.00	780.00	0.709	(150.00)
B2	1,100	1 Occupied At 680.00	680.00	0.618	780.00	780.00	0.709	(100.00)
B2	1,100	5 Occupied At 682.00	3,410.00	0.620	780.00	3,900.00	0.709	(490.00)
B2	1,100	4 Occupied At 690.00	2,760.00	0.627	780.00	3,120.00	0.709	(360.00)
B2	1,100	1 Occupied At 691.00	691.00	0.628	780.00	780.00	0.709	(89.00)
B2	1,100	1 Occupied At 694.00	694.00	0.631	780.00	780.00	0.709	(86.00)
B2	1,100	1 Occupied At 700.00	700.00	0.636	780.00	780.00	0.709	(80.00)
B2	1,100	1 Occupied At 715.00	715.00	0.650	780.00	780.00	0.709	(65.00)
B2	1,100	3 Occupied At 720.00	2,160.00	0.655	780.00	2,340.00	0.709	(180.00)
B2	1,100	1 Occupied At 725.00	725.00	0.659	780.00	780.00	0.709	(55.00)
B2	1,100	1 Occupied At 735.00	735.00	0.668	780.00	780.00	0.709	(45.00)
B2	1,100	1 Occupied At 753.00	753.00	0.685	780.00	780.00	0.709	(27.00)
B2	1,100	1 Occupied At 755.00	755.00	0.686	780.00	780.00	0.709	(25.00)
B2	1,100	3 Occupied At 780.00	2,340.00	0.709	780.00	2,340.00	0.709	0.00
B2	1,100	2 Occupied At 795.00	1,590.00	0.723	700.00	1,400.00	0.636	190.00
B2	1,100	1 Occupied At 803.00	803.00	0.730	700.00	700.00	0.636	103.00
B2	1,100	2 Occupied At 805.00	1,610.00	0.732	780.00	1,560.00	0.709	50.00
B2	1,100	2 Occupied At 811.00	1,622.00	0.737	780.00	1,560.00	0.709	62.00
B2	1,100	1 Occupied At 830.00	830.00	0.755	780.00	780.00	0.709	50.00
B2	1,100	4 Vacant At 780.00	3,120.00	0.709	780.00	3,120.00	0.709	0.00

SSI476
AL701
Select: 08/02/12
1,080 Apts, 1,204,792 Sq. Ft.

Rent By Type
Landmark Residential
Landmark at Magnolia Glen
August 2, 2012

Page: 5
08/2012
08/02/12
14:30

Apt Type	Sq. Ft		Gross Potential			Market Rent			Diff
			Monthly	Total	\$/Sq. Ft	Monthly	Total	\$/Sq. Ft	
Total :	44,000	40		29,098.00	0.661		30,960.00	0.704	(1,862.00)
Average rent per unit (Gross Potential): 727.45			Average rent per unit (Gross Possible): 774.00						
Average occupied rent per unit (Gross Potential): 721.61									
B3	1,304	1 Occupied At	546.00	546.00	0.419	740.00	740.00	0.567	(194.00)
B3	1,304	1 Occupied At	568.00	568.00	0.436	740.00	740.00	0.567	(172.00)
B3	1,304	1 Occupied At	579.00	579.00	0.444	740.00	740.00	0.567	(161.00)
B3	1,304	1 Occupied At	580.00	580.00	0.445	740.00	740.00	0.567	(160.00)
B3	1,304	1 Occupied At	601.50	601.50	0.461	740.00	740.00	0.567	(138.50)
B3	1,304	1 Occupied At	602.00	602.00	0.462	740.00	740.00	0.567	(138.00)
B3	1,304	17 Occupied At	642.00	10,914.00	0.492	740.00	12,580.00	0.567	(1,666.00)
B3	1,304	5 Occupied At	645.00	3,225.00	0.495	740.00	3,700.00	0.567	(475.00)
B3	1,304	1 Occupied At	649.00	649.00	0.498	740.00	740.00	0.567	(91.00)
B3	1,304	1 Occupied At	650.00	650.00	0.498	740.00	740.00	0.567	(90.00)
B3	1,304	3 Occupied At	665.00	1,995.00	0.510	740.00	2,220.00	0.567	(225.00)
B3	1,304	1 Occupied At	679.00	679.00	0.521	740.00	740.00	0.567	(61.00)
B3	1,304	1 Occupied At	680.00	680.00	0.521	740.00	740.00	0.567	(60.00)
B3	1,304	1 Occupied At	683.00	683.00	0.524	740.00	740.00	0.567	(57.00)
B3	1,304	1 Occupied At	685.00	685.00	0.525	740.00	740.00	0.567	(55.00)
B3	1,304	1 Occupied At	690.00	690.00	0.529	740.00	740.00	0.567	(50.00)
B3	1,304	1 Occupied At	692.00	692.00	0.531	740.00	740.00	0.567	(48.00)
B3	1,304	1 Occupied At	697.00	697.00	0.535	740.00	740.00	0.567	(43.00)
B3	1,304	1 Occupied At	705.00	705.00	0.541	740.00	740.00	0.567	(35.00)
B3	1,304	1 Occupied At	709.00	709.00	0.544	740.00	740.00	0.567	(31.00)
B3	1,304	2 Occupied At	710.00	1,420.00	0.544	740.00	1,480.00	0.567	(60.00)
B3	1,304	2 Occupied At	715.00	1,430.00	0.548	740.00	1,480.00	0.567	(50.00)
B3	1,304	4 Occupied At	720.00	2,880.00	0.552	740.00	2,960.00	0.567	(80.00)
B3	1,304	2 Occupied At	725.00	1,450.00	0.556	740.00	1,480.00	0.567	(30.00)
B3	1,304	1 Occupied At	727.00	727.00	0.558	740.00	740.00	0.567	(13.00)
B3	1,304	6 Occupied At	740.00	4,440.00	0.567	740.00	4,440.00	0.567	0.00
B3	1,304	1 Occupied At	750.00	750.00	0.575	740.00	740.00	0.567	10.00
B3	1,304	5 Occupied At	775.00	3,875.00	0.594	740.00	3,700.00	0.567	175.00
B3	1,304	4 Occupied At	780.00	3,120.00	0.598	740.00	2,960.00	0.567	160.00
B3	1,304	1 Occupied At	792.00	792.00	0.607	740.00	740.00	0.567	52.00
B3	1,304	1 Occupied At	795.00	795.00	0.610	740.00	740.00	0.567	55.00
B3	1,304	2 Occupied At	800.00	1,600.00	0.613	740.00	1,480.00	0.567	120.00
B3	1,304	1 Occupied At	810.00	810.00	0.621	740.00	740.00	0.567	70.00
B3	1,304	1 Occupied At	815.00	815.00	0.625	740.00	740.00	0.567	75.00
B3	1,304	1 Occupied At	850.00	850.00	0.652	740.00	740.00	0.567	110.00
B3	1,304	1 Occupied At	885.00	885.00	0.679	740.00	740.00	0.567	145.00
B3	1,304	5 Vacant At	740.00	3,700.00	0.567	740.00	3,700.00	0.567	0.00
Total :	106,928	82		57,468.50	0.537		60,680.00	0.567	(3,211.50)
Average rent per unit (Gross Potential): 700.84			Average rent per unit (Gross Possible): 740.00						
Average occupied rent per unit (Gross Potential): 698.29									
B4	1,315	1 Occupied At	585.00	585.00	0.445	795.00	795.00	0.605	(210.00)
B4	1,315	1 Occupied At	610.00	610.00	0.464	795.00	795.00	0.605	(185.00)
B4	1,315	2 Occupied At	615.00	1,230.00	0.468	795.00	1,590.00	0.605	(360.00)
B4	1,315	1 Occupied At	622.00	622.00	0.473	795.00	795.00	0.605	(173.00)
B4	1,315	1 Occupied At	645.00	645.00	0.490	795.00	795.00	0.605	(150.00)
B4	1,315	1 Occupied At	648.00	648.00	0.493	795.00	795.00	0.605	(147.00)
B4	1,315	1 Occupied At	655.00	655.00	0.498	795.00	795.00	0.605	(140.00)
B4	1,315	7 Occupied At	660.00	4,620.00	0.502	795.00	5,565.00	0.605	(945.00)

SSI476
AL701
Select: 08/02/12
1,080 Apts, 1,204,792 Sq. Ft.

Rent By Type
Landmark Residential
Landmark at Magnolia Glen
August 2, 2012

Page: 6
08/2012
08/02/12
14:30

Apt Type	Sq. Ft		Gross Potential			Market Rent			
			Monthly	Total	\$/Sq. Ft	Monthly	Total	\$/Sq. Ft	Diff
B4	1,315	3 Occupied At	665.00	1,995.00	0.506	795.00	2,385.00	0.605	(390.00)
B4	1,315	1 Occupied At	668.00	668.00	0.508	795.00	795.00	0.605	(127.00)
B4	1,315	4 Occupied At	670.00	2,680.00	0.510	795.00	3,180.00	0.605	(500.00)
B4	1,315	1 Occupied At	673.00	673.00	0.512	795.00	795.00	0.605	(122.00)
B4	1,315	1 Occupied At	679.00	679.00	0.516	795.00	795.00	0.605	(116.00)
B4	1,315	3 Occupied At	681.00	2,043.00	0.518	795.00	2,385.00	0.605	(342.00)
B4	1,315	1 Occupied At	683.00	683.00	0.519	795.00	795.00	0.605	(112.00)
B4	1,315	3 Occupied At	685.00	2,055.00	0.521	795.00	2,385.00	0.605	(330.00)
B4	1,315	1 Occupied At	690.00	690.00	0.525	795.00	795.00	0.605	(105.00)
B4	1,315	1 Occupied At	691.00	691.00	0.525	795.00	795.00	0.605	(104.00)
B4	1,315	1 Occupied At	695.00	695.00	0.529	795.00	795.00	0.605	(100.00)
B4	1,315	1 Occupied At	696.00	696.00	0.529	795.00	795.00	0.605	(99.00)
B4	1,315	16 Occupied At	697.00	11,152.00	0.530	795.00	12,720.00	0.605	(1,568.00)
B4	1,315	1 Occupied At	700.00	700.00	0.532	795.00	795.00	0.605	(95.00)
B4	1,315	2 Occupied At	702.00	1,404.00	0.534	795.00	1,590.00	0.605	(186.00)
B4	1,315	2 Occupied At	705.00	1,410.00	0.536	795.00	1,590.00	0.605	(180.00)
B4	1,315	1 Occupied At	716.00	716.00	0.544	795.00	795.00	0.605	(79.00)
B4	1,315	1 Occupied At	718.00	718.00	0.546	795.00	795.00	0.605	(77.00)
B4	1,315	1 Occupied At	720.00	720.00	0.548	795.00	795.00	0.605	(75.00)
B4	1,315	1 Occupied At	722.50	722.50	0.549	795.00	795.00	0.605	(72.50)
B4	1,315	1 Occupied At	725.00	725.00	0.551	795.00	795.00	0.605	(70.00)
B4	1,315	1 Occupied At	735.00	735.00	0.559	795.00	795.00	0.605	(60.00)
B4	1,315	3 Occupied At	737.00	2,211.00	0.560	795.00	2,385.00	0.605	(174.00)
B4	1,315	1 Occupied At	740.00	740.00	0.563	795.00	795.00	0.605	(55.00)
B4	1,315	2 Occupied At	745.00	1,490.00	0.567	795.00	1,590.00	0.605	(100.00)
B4	1,315	1 Occupied At	750.00	750.00	0.570	795.00	795.00	0.605	(45.00)
B4	1,315	1 Occupied At	754.00	754.00	0.573	795.00	795.00	0.605	(41.00)
B4	1,315	3 Occupied At	759.00	2,277.00	0.577	795.00	2,385.00	0.605	(108.00)
B4	1,315	1 Occupied At	760.00	760.00	0.578	795.00	795.00	0.605	(35.00)
B4	1,315	2 Occupied At	770.00	1,540.00	0.586	795.00	1,590.00	0.605	(50.00)
B4	1,315	1 Occupied At	771.00	771.00	0.586	795.00	795.00	0.605	(24.00)
B4	1,315	1 Occupied At	775.00	775.00	0.589	795.00	795.00	0.605	(20.00)
B4	1,315	1 Occupied At	776.00	776.00	0.590	795.00	795.00	0.605	(19.00)
B4	1,315	15 Occupied At	780.00	11,700.00	0.593	795.00	11,925.00	0.605	(225.00)
B4	1,315	3 Occupied At	785.00	2,355.00	0.597	795.00	2,385.00	0.605	(30.00)
B4	1,315	1 Occupied At	789.00	789.00	0.600	795.00	795.00	0.605	(6.00)
B4	1,315	3 Occupied At	790.00	2,370.00	0.601	795.00	2,385.00	0.605	(15.00)
B4	1,315	1 Occupied At	792.00	792.00	0.602	795.00	795.00	0.605	(3.00)
B4	1,315	10 Occupied At	795.00	7,950.00	0.605	795.00	7,950.00	0.605	0.00
B4	1,315	1 Occupied At	796.00	796.00	0.605	795.00	795.00	0.605	1.00
B4	1,315	1 Occupied At	800.00	800.00	0.608	795.00	795.00	0.605	5.00
B4	1,315	4 Occupied At	805.00	3,220.00	0.612	795.00	3,180.00	0.605	40.00
B4	1,315	2 Occupied At	810.00	1,620.00	0.616	795.00	1,590.00	0.605	30.00
B4	1,315	8 Occupied At	815.00	6,520.00	0.620	795.00	6,360.00	0.605	160.00
B4	1,315	3 Occupied At	820.00	2,460.00	0.624	795.00	2,385.00	0.605	75.00
B4	1,315	1 Occupied At	825.00	825.00	0.627	795.00	795.00	0.605	30.00
B4	1,315	1 Occupied At	827.00	827.00	0.629	795.00	795.00	0.605	32.00
B4	1,315	1 Occupied At	835.00	835.00	0.635	795.00	795.00	0.605	40.00
B4	1,315	1 Occupied At	839.00	839.00	0.638	795.00	795.00	0.605	44.00
B4	1,315	2 Occupied At	865.00	1,730.00	0.658	795.00	1,590.00	0.605	140.00
B4	1,315	1 Occupied At	885.00	885.00	0.673	795.00	795.00	0.605	90.00
B4	1,315	1 Occupied At	895.00	895.00	0.681	795.00	795.00	0.605	100.00
B4	1,315	18 Vacant At	795.00	14,310.00	0.605	795.00	14,310.00	0.605	0.00

SSI476
AL701
Select: 08/02/12
1,080 Apts, 1,204,792 Sq. Ft.

Rent By Type
Landmark Residential
Landmark at Magnolia Glen
August 2, 2012

Page: 7
08/2012
08/02/12
14:30

Apt Type	Sq. Ft		Gross Potential			Market Rent			Diff
			Monthly	Total	\$/Sq. Ft	Monthly	Total	\$/Sq. Ft	
Total :	207,770	158		118,227.50	0.569		125,610.00	0.605	(7,382.50)
Average rent per unit (Gross Potential): 748.28			Average rent per unit (Gross Possible): 795.00						
Average occupied rent per unit (Gross Potential): 742.27									
B5	1,360	1 Occupied At	75.00	75.00	0.055	835.00	835.00	0.614	(760.00)
B5	1,360	1 Occupied At	577.00	577.00	0.424	835.00	835.00	0.614	(258.00)
B5	1,360	1 Occupied At	609.00	609.00	0.448	835.00	835.00	0.614	(226.00)
B5	1,360	1 Occupied At	620.00	620.00	0.456	835.00	835.00	0.614	(215.00)
B5	1,360	1 Occupied At	622.00	622.00	0.457	835.00	835.00	0.614	(213.00)
B5	1,360	1 Occupied At	625.00	625.00	0.460	835.00	835.00	0.614	(210.00)
B5	1,360	1 Occupied At	644.00	644.00	0.474	835.00	835.00	0.614	(191.00)
B5	1,360	1 Occupied At	649.00	649.00	0.477	835.00	835.00	0.614	(186.00)
B5	1,360	1 Occupied At	654.00	654.00	0.481	835.00	835.00	0.614	(181.00)
B5	1,360	1 Occupied At	660.00	660.00	0.485	835.00	835.00	0.614	(175.00)
B5	1,360	4 Occupied At	667.00	2,668.00	0.490	835.00	3,340.00	0.614	(672.00)
B5	1,360	1 Occupied At	668.00	668.00	0.491	835.00	835.00	0.614	(167.00)
B5	1,360	2 Occupied At	670.00	1,340.00	0.493	835.00	1,670.00	0.614	(330.00)
B5	1,360	1 Occupied At	692.75	692.75	0.509	835.00	835.00	0.614	(142.25)
B5	1,360	2 Occupied At	697.00	1,394.00	0.513	835.00	1,670.00	0.614	(276.00)
B5	1,360	4 Occupied At	705.00	2,820.00	0.518	835.00	3,340.00	0.614	(520.00)
B5	1,360	1 Occupied At	710.00	710.00	0.522	835.00	835.00	0.614	(125.00)
B5	1,360	1 Occupied At	712.00	712.00	0.524	835.00	835.00	0.614	(123.00)
B5	1,360	1 Occupied At	720.00	720.00	0.529	835.00	835.00	0.614	(115.00)
B5	1,360	1 Occupied At	729.00	729.00	0.536	835.00	835.00	0.614	(106.00)
B5	1,360	16 Occupied At	737.00	11,792.00	0.542	835.00	13,360.00	0.614	(1,568.00)
B5	1,360	1 Occupied At	739.00	739.00	0.543	835.00	835.00	0.614	(96.00)
B5	1,360	1 Occupied At	745.00	745.00	0.548	835.00	835.00	0.614	(90.00)
B5	1,360	1 Occupied At	746.00	746.00	0.549	835.00	835.00	0.614	(89.00)
B5	1,360	1 Occupied At	755.00	755.00	0.555	835.00	835.00	0.614	(80.00)
B5	1,360	1 Occupied At	759.00	759.00	0.558	835.00	835.00	0.614	(76.00)
B5	1,360	1 Occupied At	760.00	760.00	0.559	835.00	835.00	0.614	(75.00)
B5	1,360	6 Occupied At	765.00	4,590.00	0.563	835.00	5,010.00	0.614	(420.00)
B5	1,360	3 Occupied At	769.00	2,307.00	0.565	835.00	2,505.00	0.614	(198.00)
B5	1,360	2 Occupied At	770.00	1,540.00	0.566	835.00	1,670.00	0.614	(130.00)
B5	1,360	1 Occupied At	780.00	780.00	0.574	835.00	835.00	0.614	(55.00)
B5	1,360	1 Occupied At	790.00	790.00	0.581	835.00	835.00	0.614	(45.00)
B5	1,360	3 Occupied At	795.00	2,385.00	0.585	835.00	2,505.00	0.614	(120.00)
B5	1,360	2 Occupied At	805.00	1,610.00	0.592	835.00	1,670.00	0.614	(60.00)
B5	1,360	1 Occupied At	811.00	811.00	0.596	835.00	835.00	0.614	(24.00)
B5	1,360	2 Occupied At	815.00	1,630.00	0.599	835.00	1,670.00	0.614	(40.00)
B5	1,360	1 Occupied At	816.00	816.00	0.600	835.00	835.00	0.614	(19.00)
B5	1,360	2 Occupied At	820.00	1,640.00	0.603	835.00	1,670.00	0.614	(30.00)
B5	1,360	6 Occupied At	835.00	5,010.00	0.614	835.00	5,010.00	0.614	0.00
B5	1,360	1 Occupied At	839.00	839.00	0.617	835.00	835.00	0.614	4.00
B5	1,360	2 Occupied At	840.00	1,680.00	0.618	835.00	1,670.00	0.614	10.00
B5	1,360	1 Occupied At	842.00	842.00	0.619	835.00	835.00	0.614	7.00
B5	1,360	1 Occupied At	845.00	845.00	0.621	835.00	835.00	0.614	10.00
B5	1,360	1 Occupied At	850.00	850.00	0.625	835.00	835.00	0.614	15.00
B5	1,360	6 Occupied At	855.00	5,130.00	0.629	835.00	5,010.00	0.614	120.00
B5	1,360	1 Occupied At	900.00	900.00	0.662	835.00	835.00	0.614	65.00
B5	1,360	1 Occupied At	905.00	905.00	0.665	835.00	835.00	0.614	70.00
B5	1,360	6 Vacant At	835.00	5,010.00	0.614	835.00	5,010.00	0.614	0.00

SSI476
AL701
Select: 08/02/12
1,080 Apts, 1,204,792 Sq. Ft.

Rent By Type
Landmark Residential
Landmark at Magnolia Glen
August 2, 2012

Page: 8
08/2012
08/02/12
14:30

Apt Type	Sq. Ft		Gross Potential			Market Rent			Diff
			Monthly	Total	\$/Sq. Ft	Monthly	Total	\$/Sq. Ft	
Total :	136,000	100		75,394.75	0.554		83,500.00	0.614	(8,105.25)
Average rent per unit (Gross Potential): 753.95			Average rent per unit (Gross Possible): 835.00						
Average occupied rent per unit (Gross Potential): 748.77									
B6	1,435	1 Occupied At	659.00	659.00	0.459	880.00	880.00	0.613	(221.00)
B6	1,435	1 Occupied At	705.00	705.00	0.491	880.00	880.00	0.613	(175.00)
B6	1,435	1 Occupied At	737.00	737.00	0.514	880.00	880.00	0.613	(143.00)
B6	1,435	2 Occupied At	745.00	1,490.00	0.519	880.00	1,760.00	0.613	(270.00)
B6	1,435	2 Occupied At	755.00	1,510.00	0.526	880.00	1,760.00	0.613	(250.00)
B6	1,435	1 Occupied At	767.00	767.00	0.534	880.00	880.00	0.613	(113.00)
B6	1,435	4 Occupied At	772.00	3,088.00	0.538	880.00	3,520.00	0.613	(432.00)
B6	1,435	1 Occupied At	775.00	775.00	0.540	880.00	880.00	0.613	(105.00)
B6	1,435	2 Occupied At	780.00	1,560.00	0.544	880.00	1,760.00	0.613	(200.00)
B6	1,435	1 Occupied At	806.00	806.00	0.562	880.00	880.00	0.613	(74.00)
B6	1,435	1 Occupied At	812.00	812.00	0.566	880.00	880.00	0.613	(68.00)
B6	1,435	1 Occupied At	828.00	828.00	0.577	880.00	880.00	0.613	(52.00)
B6	1,435	1 Occupied At	840.00	840.00	0.585	880.00	880.00	0.613	(40.00)
B6	1,435	2 Occupied At	845.00	1,690.00	0.589	880.00	1,760.00	0.613	(70.00)
B6	1,435	1 Occupied At	850.00	850.00	0.592	880.00	880.00	0.613	(30.00)
B6	1,435	1 Occupied At	855.00	855.00	0.596	880.00	880.00	0.613	(25.00)
B6	1,435	1 Occupied At	870.00	870.00	0.606	880.00	880.00	0.613	(10.00)
B6	1,435	1 Occupied At	880.00	880.00	0.613	880.00	880.00	0.613	0.00
B6	1,435	1 Occupied At	895.00	895.00	0.624	880.00	880.00	0.613	15.00
B6	1,435	1 Occupied At	909.00	909.00	0.633	880.00	880.00	0.613	29.00
B6	1,435	3 Vacant At	880.00	2,640.00	0.613	880.00	2,640.00	0.613	0.00
Total :	43,050	30		24,166.00	0.561		26,400.00	0.613	(2,234.00)
Average rent per unit (Gross Potential): 805.53			Average rent per unit (Gross Possible): 880.00						
Average occupied rent per unit (Gross Potential): 797.26									
B7	1,521	2 Occupied At	622.00	1,244.00	0.409	870.00	1,740.00	0.572	(496.00)
B7	1,521	1 Occupied At	648.00	648.00	0.426	870.00	870.00	0.572	(222.00)
B7	1,521	1 Occupied At	685.00	685.00	0.450	870.00	870.00	0.572	(185.00)
B7	1,521	1 Occupied At	710.00	710.00	0.467	870.00	870.00	0.572	(160.00)
B7	1,521	1 Occupied At	730.00	730.00	0.480	870.00	870.00	0.572	(140.00)
B7	1,521	2 Occupied At	735.00	1,470.00	0.483	870.00	1,740.00	0.572	(270.00)
B7	1,521	1 Occupied At	738.00	738.00	0.485	870.00	870.00	0.572	(132.00)
B7	1,521	1 Occupied At	743.00	743.00	0.488	870.00	870.00	0.572	(127.00)
B7	1,521	1 Occupied At	759.00	759.00	0.499	870.00	870.00	0.572	(111.00)
B7	1,521	1 Occupied At	770.00	770.00	0.506	870.00	870.00	0.572	(100.00)
B7	1,521	1 Occupied At	779.00	779.00	0.512	870.00	870.00	0.572	(91.00)
B7	1,521	4 Occupied At	780.00	3,120.00	0.513	870.00	3,480.00	0.572	(360.00)
B7	1,521	4 Occupied At	782.00	3,128.00	0.514	870.00	3,480.00	0.572	(352.00)
B7	1,521	3 Occupied At	785.00	2,355.00	0.516	870.00	2,610.00	0.572	(255.00)
B7	1,521	1 Occupied At	801.00	801.00	0.527	870.00	870.00	0.572	(69.00)
B7	1,521	2 Occupied At	805.00	1,610.00	0.529	870.00	1,740.00	0.572	(130.00)
B7	1,521	1 Occupied At	810.00	810.00	0.533	870.00	870.00	0.572	(60.00)
B7	1,521	1 Occupied At	815.00	815.00	0.536	870.00	870.00	0.572	(55.00)
B7	1,521	1 Occupied At	833.00	833.00	0.548	870.00	870.00	0.572	(37.00)
B7	1,521	1 Occupied At	855.00	855.00	0.562	870.00	870.00	0.572	(15.00)
B7	1,521	1 Occupied At	857.00	857.00	0.563	870.00	870.00	0.572	(13.00)
B7	1,521	2 Occupied At	870.00	1,740.00	0.572	870.00	1,740.00	0.572	0.00
B7	1,521	3 Occupied At	880.00	2,640.00	0.579	870.00	2,610.00	0.572	30.00
B7	1,521	1 Occupied At	894.00	894.00	0.588	870.00	870.00	0.572	24.00

SSI476
AL701
Select: 08/02/12
1,080 Apts, 1,204,792 Sq. Ft.

Rent By Type
Landmark Residential
Landmark at Magnolia Glen
August 2, 2012

Page: 9
08/2012
08/02/12
14:30

Apt Type	Sq. Ft		Gross Potential			Market Rent			Diff
			Monthly	Total	\$/Sq. Ft	Monthly	Total	\$/Sq. Ft	
B7	1,521	1 Occupied At	895.00	895.00	0.588	870.00	870.00	0.572	25.00
B7	1,521	1 Occupied At	900.00	900.00	0.592	870.00	870.00	0.572	30.00
B7	1,521	2 Vacant At	870.00	1,740.00	0.572	870.00	1,740.00	0.572	0.00
Total :			63,882	42	33,269.00	0.521	36,540.00	0.572	(3,271.00)
Average rent per unit (Gross Potential): 792.12					Average rent per unit (Gross Possible): 870.00				
Average occupied rent per unit (Gross Potential): 788.23									
C1	1,521	1 Occupied At	687.00	687.00	0.452	910.00	910.00	0.598	(223.00)
C1	1,521	1 Occupied At	702.00	702.00	0.462	910.00	910.00	0.598	(208.00)
C1	1,521	1 Occupied At	739.00	739.00	0.486	910.00	910.00	0.598	(171.00)
C1	1,521	1 Occupied At	740.00	740.00	0.487	910.00	910.00	0.598	(170.00)
C1	1,521	1 Occupied At	760.00	760.00	0.500	910.00	910.00	0.598	(150.00)
C1	1,521	2 Occupied At	765.00	1,530.00	0.503	910.00	1,820.00	0.598	(290.00)
C1	1,521	1 Occupied At	778.40	778.40	0.512	910.00	910.00	0.598	(131.60)
C1	1,521	1 Occupied At	779.00	779.00	0.512	910.00	910.00	0.598	(131.00)
C1	1,521	3 Occupied At	780.00	2,340.00	0.513	910.00	2,730.00	0.598	(390.00)
C1	1,521	2 Occupied At	789.00	1,578.00	0.519	910.00	1,820.00	0.598	(242.00)
C1	1,521	2 Occupied At	795.00	1,590.00	0.523	910.00	1,820.00	0.598	(230.00)
C1	1,521	1 Occupied At	799.00	799.00	0.525	910.00	910.00	0.598	(111.00)
C1	1,521	1 Occupied At	800.00	800.00	0.526	910.00	910.00	0.598	(110.00)
C1	1,521	2 Occupied At	805.00	1,610.00	0.529	910.00	1,820.00	0.598	(210.00)
C1	1,521	3 Occupied At	810.00	2,430.00	0.533	910.00	2,730.00	0.598	(300.00)
C1	1,521	14 Occupied At	812.00	11,368.00	0.534	910.00	12,740.00	0.598	(1,372.00)
C1	1,521	4 Occupied At	820.00	3,280.00	0.539	910.00	3,640.00	0.598	(360.00)
C1	1,521	1 Occupied At	825.00	825.00	0.542	910.00	910.00	0.598	(85.00)
C1	1,521	1 Occupied At	833.00	833.00	0.548	910.00	910.00	0.598	(77.00)
C1	1,521	2 Occupied At	835.00	1,670.00	0.549	910.00	1,820.00	0.598	(150.00)
C1	1,521	1 Occupied At	838.00	838.00	0.551	910.00	910.00	0.598	(72.00)
C1	1,521	2 Occupied At	839.00	1,678.00	0.552	910.00	1,820.00	0.598	(142.00)
C1	1,521	1 Occupied At	840.00	840.00	0.552	910.00	910.00	0.598	(70.00)
C1	1,521	1 Occupied At	846.00	846.00	0.556	910.00	910.00	0.598	(64.00)
C1	1,521	1 Occupied At	849.00	849.00	0.558	910.00	910.00	0.598	(61.00)
C1	1,521	1 Occupied At	850.00	850.00	0.559	910.00	910.00	0.598	(60.00)
C1	1,521	1 Occupied At	852.00	852.00	0.560	910.00	910.00	0.598	(58.00)
C1	1,521	6 Occupied At	855.00	5,130.00	0.562	910.00	5,460.00	0.598	(330.00)
C1	1,521	1 Occupied At	858.00	858.00	0.564	910.00	910.00	0.598	(52.00)
C1	1,521	2 Occupied At	859.00	1,718.00	0.565	910.00	1,820.00	0.598	(102.00)
C1	1,521	1 Occupied At	870.00	870.00	0.572	910.00	910.00	0.598	(40.00)
C1	1,521	1 Occupied At	874.00	874.00	0.575	910.00	910.00	0.598	(36.00)
C1	1,521	1 Occupied At	879.00	879.00	0.578	910.00	910.00	0.598	(31.00)
C1	1,521	7 Occupied At	880.00	6,160.00	0.579	910.00	6,370.00	0.598	(210.00)
C1	1,521	1 Occupied At	885.00	885.00	0.582	910.00	910.00	0.598	(25.00)
C1	1,521	11 Occupied At	890.00	9,790.00	0.585	910.00	10,010.00	0.598	(220.00)
C1	1,521	1 Occupied At	900.00	900.00	0.592	910.00	910.00	0.598	(10.00)
C1	1,521	1 Occupied At	901.00	901.00	0.592	910.00	910.00	0.598	(9.00)
C1	1,521	4 Occupied At	905.00	3,620.00	0.595	910.00	3,640.00	0.598	(20.00)
C1	1,521	2 Occupied At	910.00	1,820.00	0.598	910.00	1,820.00	0.598	0.00
C1	1,521	4 Occupied At	915.00	3,660.00	0.602	910.00	3,640.00	0.598	20.00
C1	1,521	1 Occupied At	920.00	920.00	0.605	910.00	910.00	0.598	10.00
C1	1,521	4 Occupied At	925.00	3,700.00	0.608	910.00	3,640.00	0.598	60.00
C1	1,521	1 Occupied At	930.00	930.00	0.611	910.00	910.00	0.598	20.00
C1	1,521	4 Occupied At	950.00	3,800.00	0.625	910.00	3,640.00	0.598	160.00
C1	1,521	2 Occupied At	955.00	1,910.00	0.628	910.00	1,820.00	0.598	90.00
C1	1,521	1 Occupied At	960.00	960.00	0.631	910.00	910.00	0.598	50.00

SSI476
AL701
Select: 08/02/12
1,080 Apts, 1,204,792 Sq. Ft.

Rent By Type
Landmark Residential
Landmark at Magnolia Glen
August 2, 2012

Page: 10
08/2012
08/02/12
14:30

Apt Type	Sq. Ft	Gross Potential			Market Rent			Diff
			Monthly	Total	\$/Sq. Ft	Monthly	Total	\$/Sq. Ft
C1	1,521	1 Occupied At	965.00	965.00	0.634	910.00	910.00	0.598
C1	1,521	1 Occupied At	970.00	970.00	0.638	910.00	910.00	0.598
C1	1,521	2 Occupied At	980.00	1,960.00	0.644	910.00	1,820.00	0.598
C1	1,521	1 Occupied At	995.00	995.00	0.654	910.00	910.00	0.598
C1	1,521	1 Vacant At	835.00	835.00	0.549	835.00	835.00	0.549
C1	1,521	11 Vacant At	910.00	10,010.00	0.598	910.00	10,010.00	0.598
Total :		191,646	126	108,611.40	0.567	114,585.00	0.598	(5,973.60)

Average rent per unit (Gross Potential): 862.00

Average rent per unit (Gross Possible): 909.40

Average occupied rent per unit (Gross Potential): 857.60

EFFI	390	1 Occupied At	239.00	239.00	0.613	450.00	450.00	1.154	(211.00)
EFFI	390	7 Occupied At	352.00	2,464.00	0.903	450.00	3,150.00	1.154	(686.00)
EFFI	390	1 Occupied At	355.00	355.00	0.910	450.00	450.00	1.154	(95.00)
EFFI	390	1 Occupied At	364.00	364.00	0.933	450.00	450.00	1.154	(86.00)
EFFI	390	1 Occupied At	370.00	370.00	0.949	450.00	450.00	1.154	(80.00)
EFFI	390	1 Occupied At	385.00	385.00	0.987	450.00	450.00	1.154	(65.00)
EFFI	390	2 Occupied At	425.00	850.00	1.090	450.00	900.00	1.154	(50.00)
EFFI	390	1 Occupied At	430.00	430.00	1.103	450.00	450.00	1.154	(20.00)
EFFI	390	1 Occupied At	440.00	440.00	1.128	450.00	450.00	1.154	(10.00)
EFFI	390	2 Occupied At	450.00	900.00	1.154	450.00	900.00	1.154	0.00
EFFI	390	1 Occupied At	495.00	495.00	1.269	450.00	450.00	1.154	45.00
EFFI	390	1 Vacant At	450.00	450.00	1.154	450.00	450.00	1.154	0.00
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Total :	7,800	20		7,742.00	0.993		9,000.00	1.154	(1,258.00)

Average rent per unit (Gross Potential): 387.10

Average rent per unit (Gross Possible): 450.00

Average occupied rent per unit (Gross Potential): 383.79

STUD	512	6 Occupied At	365.00	2,190.00	0.713	525.00	3,150.00	1.025	(960.00)
STUD	512	1 Occupied At	425.00	425.00	0.830	525.00	525.00	1.025	(100.00)
STUD	512	15 Occupied At	427.00	6,405.00	0.834	525.00	7,875.00	1.025	(1,470.00)
STUD	512	1 Occupied At	440.00	440.00	0.859	525.00	525.00	1.025	(85.00)
STUD	512	1 Occupied At	445.00	445.00	0.869	525.00	525.00	1.025	(80.00)
STUD	512	4 Occupied At	450.00	1,800.00	0.879	525.00	2,100.00	1.025	(300.00)
STUD	512	1 Occupied At	453.00	453.00	0.885	525.00	525.00	1.025	(72.00)
STUD	512	1 Occupied At	455.00	455.00	0.889	525.00	525.00	1.025	(70.00)
STUD	512	3 Occupied At	460.00	1,380.00	0.898	525.00	1,575.00	1.025	(195.00)
STUD	512	1 Occupied At	462.00	462.00	0.902	525.00	525.00	1.025	(63.00)
STUD	512	4 Occupied At	465.00	1,860.00	0.908	525.00	2,100.00	1.025	(240.00)
STUD	512	1 Occupied At	466.00	466.00	0.910	525.00	525.00	1.025	(59.00)
STUD	512	1 Occupied At	467.00	467.00	0.912	525.00	525.00	1.025	(58.00)
STUD	512	12 Occupied At	470.00	5,640.00	0.918	525.00	6,300.00	1.025	(660.00)
STUD	512	3 Occupied At	475.00	1,425.00	0.928	525.00	1,575.00	1.025	(150.00)
STUD	512	2 Occupied At	480.00	960.00	0.938	525.00	1,050.00	1.025	(90.00)
STUD	512	6 Occupied At	485.00	2,910.00	0.947	525.00	3,150.00	1.025	(240.00)
STUD	512	1 Occupied At	489.00	489.00	0.955	525.00	525.00	1.025	(36.00)
STUD	512	6 Occupied At	490.00	2,940.00	0.957	525.00	3,150.00	1.025	(210.00)
STUD	512	2 Occupied At	495.00	990.00	0.967	525.00	1,050.00	1.025	(60.00)
STUD	512	7 Occupied At	500.00	3,500.00	0.977	525.00	3,675.00	1.025	(175.00)
STUD	512	1 Occupied At	501.00	501.00	0.979	525.00	525.00	1.025	(24.00)
STUD	512	1 Occupied At	504.00	504.00	0.984	525.00	525.00	1.025	(21.00)
STUD	512	6 Occupied At	505.00	3,030.00	0.986	525.00	3,150.00	1.025	(120.00)
STUD	512	6 Occupied At	515.00	3,090.00	1.006	525.00	3,150.00	1.025	(60.00)
STUD	512	1 Occupied At	519.00	519.00	1.014	525.00	525.00	1.025	(6.00)
STUD	512	1 Occupied At	520.00	520.00	1.016	525.00	525.00	1.025	(5.00)

SSI476
AL701
Select: 08/02/12
1,080 Apts, 1,204,792 Sq. Ft.

Rent By Type
Landmark Residential
Landmark at Magnolia Glen
August 2, 2012

Page: 11
08/2012
08/02/12
14:30

Apt Type	Sq. Ft		Gross Potential			Market Rent			Diff		
			Monthly	Total	\$/Sq. Ft	Monthly	Total	\$/Sq. Ft			
STUD	512		6 Occupied At	525.00	3,150.00	1.025	525.00	3,150.00	1.025	0.00	
STUD	512		2 Occupied At	530.00	1,060.00	1.035	525.00	1,050.00	1.025	10.00	
STUD	512		1 Occupied At	535.00	535.00	1.045	525.00	525.00	1.025	10.00	
STUD	512		1 Occupied At	540.00	540.00	1.055	525.00	525.00	1.025	15.00	
STUD	512		3 Occupied At	545.00	1,635.00	1.064	525.00	1,575.00	1.025	60.00	
STUD	512		1 Occupied At	555.00	555.00	1.084	525.00	525.00	1.025	30.00	
STUD	512		1 Occupied At	560.00	560.00	1.094	525.00	525.00	1.025	35.00	
STUD	512		1 Occupied At	575.00	575.00	1.123	525.00	525.00	1.025	50.00	
STUD	512		1 Occupied At	640.00	640.00	1.250	525.00	525.00	1.025	115.00	
STUD	512		6 Vacant At	525.00	3,150.00	1.025	525.00	3,150.00	1.025	0.00	
Total :			60,416	118		56,666.00	0.938		61,950.00	1.025	(5,284.00)
Average rent per unit (Gross Potential): 480.22					Average rent per unit (Gross Possible): 525.00						
Average occupied rent per unit (Gross Potential): 477.82											
Property Total :			1,203,768	1,078		738,321.65	0.613		795,195.00	0.661	(56,873.35)

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Carlsbad, CA 92008

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These definitions were extracted from the following sources or publications:

The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010 (*Dictionary*).

Uniform Standards of Professional Appraisal Practice, 2012-2013 Edition (USPAP).

The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, Chicago, Illinois, 2008 (*13th Edition*).

Marshall Valuation Service, Marshall & Swift, Los Angeles, California (*MVS*).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (*Dictionary*)

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. (*13th Edition*)

Aggregate of Retail Values (ARV)

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent an opinion of value; it is simply the total of multiple market value conclusions. (*Dictionary*)

Arm's-length Transaction

A transaction between unrelated parties under no duress. (*13th Edition*)

As-Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (*Dictionary*)

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. (*13th Edition*)

Average Daily Room Rate (ADR)

In the lodging industry, total guest room revenue divided by the total number of occupied rooms. (*Dictionary*)

Band of Investment

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment. (*Dictionary*)

Cash-Equivalent Price

The price of a property with above- or below-market financing expressed in terms of the price that would have been paid in an all-cash sale. (*Dictionary*)

Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. (*Dictionary*)

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Contract Rent

The actual rental income specified in a lease. *(13th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised. *(13th Edition)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw in the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. *(Dictionary)*

Deferred Maintenance

Needed repairs or replacement of items that should have taken place during the course of normal maintenance. *Dictionary)*

Depreciation

In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. *(Dictionary)*

Direct Costs

1. Expenditures for the labor and materials used in the construction of improvements; also called *hard costs*. *(Dictionary)*
2. The labor, material, subcontractor, and heavy equipment costs directly incorporated into the construction of physical improvements. (R.S. Means)

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

Discount Rate

An interest rate used to convert future payments or receipts into present value; usually considered to be a synonym for *yield rate*. *(Dictionary)*

Disposition Value

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

1. Consummation of a sale within a future exposure time specified by the client.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.

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6. Both parties are acting in what they consider their best interests.

7. An adequate marketing effort will be made during the exposure time specified by the client.

8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.

9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. (*Dictionary*)

Easement

An interest in real property that transfers use, but not ownership, of a portion of an owner's property. Access or right of way easements may be acquired by private parties or public utilities. Governments accept conservation, open space, and preservation easements on private property. (*13th Edition*)

Economic Life

The period over which improvements to real property contribute to property value. (*13th Edition*)

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (*Dictionary*)

Effective Date

The date on which the analyses, opinions, and advice in an appraisal, review, or consulting service apply. (*Dictionary*)

Effective Gross Income (EGI)

The anticipated income from all operations of the real property after an allowance is made for vacancy and collection losses and an addition is made for any other income. (*Dictionary*)

Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income. (*Dictionary*)

Effective Rent

The rental rate net of financial concessions such as periods of no rent during the lease term and above- or below-market tenant improvements (TIs). (*Dictionary*)

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. (*Dictionary*)

Entrepreneurial Incentive

A market-derived figure that represents the amount an entrepreneur expects to receive for his or her contribution to a project and risk. (*13th Edition*)

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5796 Armada Drive
Suite 175
Carlsbad, CA 92008

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Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. (13th Edition)

Excess Land

Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately. (Dictionary)

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized at a higher rate in the income capitalization approach. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. (Dictionary)

Exposure Time

The time a property remains on the market. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary)

External Obsolescence

An element of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant. (Dictionary)

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. (USPAP)

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Fair Market Value

A term that is, in concept, similar to market value in general usage; used mainly in condemnation, litigation, income tax, and property tax situations. When an appraisal assignment involves developing an opinion of fair market value, the appropriate, requisite, and precise definition of the term depends on the use of the appraisal and the applicable jurisdiction. (*Dictionary*)

Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. (*USPAP*)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. (*Dictionary*)

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. (*Dictionary*)

Functional Obsolescence

The impairment of functional capacity of a property according to market tastes and standards. (*Dictionary*)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (*13th Edition*)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (*Dictionary*)

Going-concern Value

1. The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern*.

2. The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value when it exists and is recognizable. (*Dictionary*)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region. (*Dictionary*)

Gross Leasable Area (GLA) - Commercial

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (*Dictionary*)

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Gross Living Area (GLA) - Residential

Total area of finished, above-grade residential area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) (*Dictionary*)

Highest & Best Use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum productivity. (*Dictionary*)

Highest and Best Use of Land or a Site as Though Vacant

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (*Dictionary*)

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. (*Dictionary*)

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (*USPAP*)

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. (*13th Edition*)

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy in the structure, materials, or design that cannot be practically or economically corrected. (*Dictionary*)

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs; professional fees; financing costs and the interest paid on construction loans; taxes and the builder's or developer's all-risk insurance during construction; and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. (*Dictionary*)

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Insurable Value

The value of an asset or asset group that is covered by an insurance policy; can be estimated by deducting costs of non-insurable items (e.g., land value) from market value. (*MVS*)

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. (*Dictionary*)

Interim Use

The temporary use to which a site or improved property is put until it is ready to be put to its future highest and best use. (*13th Edition*)

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship. (*Dictionary*)

Leasehold Interest

The tenant's possessory interest created by a lease. (*Dictionary*)

Legally Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of the current zoning in the zone where it is located; also known as a *grandfathered use*. (*Dictionary*)

Market Study

A macroeconomic analysis that examines the general market conditions of supply, demand, and pricing or the demographic of demand for a specific area or property type. A market study may also include analyses of construction and absorption trends. (*13th Edition*)

Marketability Study

A microeconomic study that examines the marketability of a given property or class of properties, usually focusing on the market segments in which the property is likely to generate demand. Marketability studies are useful in determining a specific highest and best use, testing development proposals, and projecting an appropriate tenant mix. (*13th Edition*)

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Market Analysis

A process for examining the demand for and supply of a property type and the geographic market area for that property type. This process is sometimes referred to as *a use in search of a site*. (13th Edition)

Market Area

The geographic or locational delineation of the market for a specific category of real estate, i.e., the area in which alternative, similar properties effectively compete with the subject property in the minds of probable, potential purchasers and users. (13th Edition)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the typical lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (13th Edition)

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;

3. a reasonable time is allowed for exposure in the open market;

4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (*Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C - Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the RTC, FDIC, FRS and NCUA definitions of market value.*)

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income, but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). (*Dictionary*)

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (*Dictionary*)

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Off-site Costs

Costs incurred in the development of a project, excluding actual building construction costs, e.g., the costs of streets, sidewalks, curbing, traffic signals, and water and sewer mains; also called *common costs* or *off-site improvement costs*. (*Dictionary*)

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. (*Dictionary*)

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. (*13th Edition*)

Overall Capitalization Rate (OAR)

An income rate for a total real property interest that reflects the relationship between a single year's net operating income expectancy and the total property price or value. (*Dictionary*)

Potential Gross Income (PGI)

The total income attributable to real property at full occupancy before vacancy and operating expenses are deducted. (*Dictionary*)

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income ($PGIM = V/PGI$). (*Dictionary*)

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. (*Dictionary*)

Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. (*Dictionary*)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. (*Dictionary*)

Qualitative Analysis

The process of accounting for differences (such as between comparable properties and the subject property) that are not quantified; may be combined with quantitative analysis. (*Dictionary*)

Quantitative Adjustment

In the sale comparison approach, the process of making numerical adjustments to the sale prices of comparable properties, including data analysis techniques (paired data analysis, grouped data analysis, and secondary data analysis), statistical analysis, graphic analysis, trend analysis, cost analysis (cost-to-cure, depreciated cost), and capitalization of rent differences; usually precedes qualitative analysis. (*Dictionary*)

Rentable Area

The amount of space on which the rent is based; calculated according to local practice. (*Dictionary*)

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Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (*13th Edition*)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. (*13th Edition*)

Retrospective Value Opinion

A value opinion effective as of a specific historical date. The term does not define a type of value. Instead, it defines a value opinion as being effective at some specific prior date. Inclusion of this type of value with this term is appropriate, e.g., "retrospective market value opinion." (*Dictionary*)

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing similar properties that have recently sold with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available. (*13th Edition*)

Scope of Work

The type and extent of research and analysis in an assignment. Scope of work includes, but is not limited to:

The extent to which the property is identified;

The extent to which tangible property is inspected;

The type and extent of data researched; and

The type and extent of analysis applied to arrive at opinions or conclusions. (*USPAP*)

Shopping Center Types

Neighborhood Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets and pharmacies. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Center: A shopping center of 100,000 to 450,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

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Shopping Center Types (cont.)

Power Center: A large center of 500,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. (13th Edition)

Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. (Dictionary)

Surplus Land

Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary)

Triple Net Lease

A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN*, *triple net lease*, or *fully net lease*. (Dictionary)

Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. (Dictionary)

Useful Life

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. (Dictionary)

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income deductions due to vacancies, tenant turnover, and non-payment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*. Often vacancy and collection loss is expressed as a percentage of potential gross income and should reflect the competitive market. Its treatment can differ according to the interest being appraised, property type, capitalization method, and whether the property is at stabilized occupancy. (Dictionary)

Yield Capitalization

A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. (Dictionary)



Amanda Cooper

VALUATION SPECIALIST - MULTI-FAMILY TEAM LEADER
Valuation & Advisory Services



amanda.cooper@colliers.com

EDUCATION AND QUALIFICATIONS

University of Tampa,
Bachelor of Science,
International Business,
Magna Cum Laude

STATE CERTIFICATION

Florida
Georgia
Kansas
North Carolina

CONTACT DETAILS

MOB +1 727 417 4550

Colliers International
4350 W Cypress Street
Suite 300
Tampa, FL 33607

www.colliers.com

Amanda Cooper joined Colliers International Valuation & Advisory services in 2011. She has significant experience in the preparation of real estate appraisals, feasibility and economic impact studies, market studies, and demand analyses. Since 2006 she has focused on the real estate industry and in the preparation of appraisals for retail and multifamily developments. She has significant experience with LIHTC, Section 8, HUD and condominium properties. She also has experience in the valuation of all property types including mixed use, branch banks, office, warehouse, industrial, single tenant net leased retail, restaurant properties, and vacant land.

EXPERIENCE

Valuation Specialist - Multifamily Team
Leader, Colliers International Valuation &
Advisory Services
(Kansas City, MO and Tampa, FL)

Real Estate Appraiser, Shaner Appraisals,
Inc. (Kansas City, MO)

Real Estate Appraiser, CB Richard Ellis
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(Tampa, FL and Kansas City, MO)

External Consultant,
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Statistics, Modeling and Finance
Report Writing and Case Studies

REPRESENTATIVE CLIENTS AND PROJECTS

Grandbridge Real Estate Capital
Bank of America
Red Mortgage Capital
US Bank
Wells Fargo
Rockport Mortgage
Gershman Mortgage
Arbor Commercial Mortgage
PNC Bank, NA
Holliday Fenoglio Flowlers, L.P. (HFF)



Jerry P. Gisclair II, MAI, MRICS

REGIONAL MANAGING DIRECTOR
SOUTHEAST REGIONAL
Valuation & Advisory Services



jerry.gisclair@colliers.com

EDUCATION AND QUALIFICATIONS

MA - Real Estate, University of Florida, Gainesville, Florida - 1997

BA, Economics, University of Florida, Gainesville, Florida - 1994

STATE CERTIFICATION

Alabama

Florida

CONTACT DETAILS

MOB +1 813 767 0203

DIR +1 813 871 8531

FAX +1 813 224 9403

Colliers International
4350 W Cypress Street
Suite 300
Tampa, FL 33607

www.colliers.com

Mr. Gisclair holds a Master's degree in Real Estate (MARE) and a Bachelor of Arts degree in Economics from the University of Florida. His undergraduate study included both economics coursework along with significant emphasis in science and mathematics.

He also holds the MAI Designation by the Appraisal Institute, which represents a cumulative understanding of Real Estate Valuation necessary for real property analysis. He is presently licensed in Florida and Alabama, and has held temporary licenses in North Carolina, Puerto Rico. Core education courses include the following:

- Numerous Appraisal Institute and State level continuing education courses, including USPAP. Completed numerous education courses during masters program at the University of Florida, including Real Estate Valuation, Economic Forecasting, Real Estate Financing Analysis, Appraisal Case Studies, Report Writing & Valuation Analysis, Principles of Real Estate Decision Making and Real Estate Investment.

This background has provided an expanded understanding of external impacts on the supply/demand analysis.

PROFESSIONAL AFFILIATIONS

Appraisal Institute – Former Assistant Regional Member of Ethics Administration & Counseling Committee (Region X)

University of Florida's Warrington College of Business

- 2005-present: Center for Real Estate Studies Advisory Board Member
- 2007 Recipient for Exemplary Service & Commitment
- Guest Lecturer to MBA/MRE Program "Practical Approaches to Cash Flow Analysis" – Spring 2005-07
- Guest Lecturer to MBA/MRE Program "Practical Approaches to CoStar Applications" – Fall 2007-08 & Spring 2009-10

Mortgage Banker's Association Member

Member of ICSC, CREW

Panelist for CREW Tampa on Special Assets/REO Properties - Spring 2009

Panelist for Florida Redevelopment Association on TARP impacts – Spring 2009

Panelist for Banking & Finance Event at UF Center for RE Studies Fall Conference - Fall 2009

MRICS Member, Royal Institution of Chartered Surveyors

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DIR +1 813 871 8531
FAX +1 813 224 9403

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Suite 300
Tampa, FL 33607

www.colliers.com

EMPLOYMENT EXPERIENCE

Fourteen years of Real Estate Appraisal and Consulting experience throughout the Southeastern United States.

1996-1998, Appraisal Research Corporation of Naples - Appraiser , Naples, FL

1998-2002, CB Richard Ellis - Valuation & Advisory Services – Senior Real Estate Analyst, Orlando, FL

2002-2010, CB Richard Ellis - Valuation & Advisory Services - AVP & Managing Director, Tampa, FL

Jerry Gisclair serves as Executive Managing Director for the Southeast for Colliers International Valuation & Advisory Services (aka FirstService PGP). The group specializes in the valuation of investment grade properties with emphasis on financial analysis of income producing assets; including apartments, retail centers, malls & outlet centers, hotel & extended stay lodging, multi-tenant office and industrial properties, net leased assets, and various sellout oriented assets such as subdivisions and/or condominiums. He and his team have on-going appraisal experience throughout the Southeast, which specific emphasis in Florida. Portfolio valuation needs and special assets commonly warrant involvement nationally.

Service areas of the group include the State of Florida and expand throughout Southeastern United States, including Georgia, Alabama, Mississippi, Tennessee, North Carolina, and South Carolina. Jerry commonly oversees/assist with single asset and portfolio assignments performed by other Colliers International/FirstService PGP's offices throughout the country.

Jerry also serves as a member of the National Litigation Support Team to service clients in need of both valuation services and accompanying litigation support. In this, our team is able to lever off of the wealth of information available within our organization given the scale of our firm. To date, we have completed numerous assignments on the behalf of the FDIC and various lending institutions in the process of monitoring Special Assets that are faced with an increased risk of default, some of which have progressed into foreclosure or some form of litigation.

SENIOR VALUATION MANAGEMENT

Eduardo E. Alegre, MAI

President | Valuation & Advisory
+1 949 724 5549 Phone
Ed.Alegre@Colliers.com

E. Jason Lund, MAI, MRICS

Regional Managing Director
+1 949 751 2701 Phone
Jason.Lund@Colliers.com

Jerry P. Gisclair, MAI, MRICS

Regional Managing Director
+1 813 871 8531 Phone
Jerry.Gisclair@Colliers.com

Valuation & Advisory Services

U.S. Headquarters
5796 Armada Drive, Suite 175
Carlsbad, CA 92008

Colliers International Valuation & Advisory Services

Never in the history of real estate has valuation taken a more pivotal role than in today's business climate. A true and defensible opinion of property value can mean the difference between reaching a critical goal - securing a loan, closing a sale, choosing the best asset - or failing to achieve it altogether.

Our valuation and advisory services are designed to deliver insight into a property's fundamentals, its competitors and the overall market dynamics affecting value, now and in the future. We believe that valuation can be a strategic asset for investors and owners, provided that reporting is clear, prompt and addresses the big picture.

Our consultants share a commitment to delivering the highest level of service and the best experience possible. We go the extra mile to deliver for our clients, whether this means meeting a tight deadline or working with a complex and challenging property.

Our best-in-class approach has pushed the valuation industry forward to a higher standard of service and accountability. We strive to continually raise the bar through our knowledge and systems to deliver distinctive, quality results.

U.S. Valuation & Advisory Services

147 PROFESSIONALS

48 MAI's

26 OFFICES

SENIOR VALUATION
MANAGEMENT

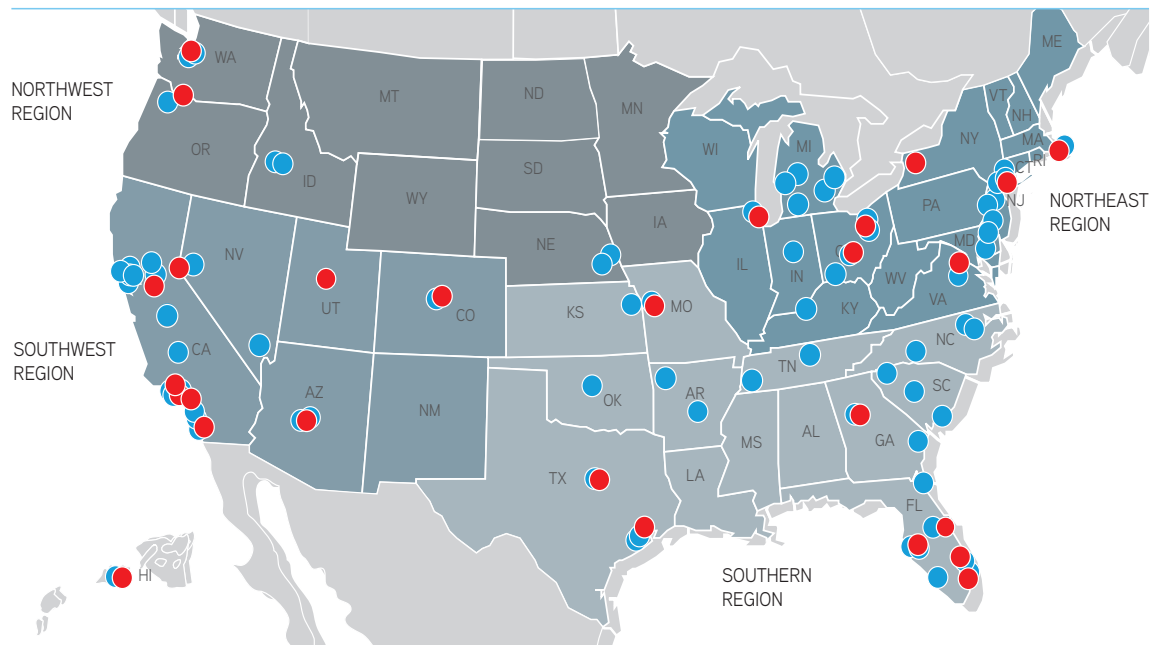
Eduardo E. Alegre, MAI
President | Valuation & Advisory
3 Park Plaza, Suite 1200
Irvine, CA 92614
949.724.5549 Phone
Ed.Alegre@Colliers.com

E. Jason Lund, MAI, MRICS
Regional Managing Director
20411 SW Birch St. Suite 310
Newport Beach, CA 92660
949.751.2701 Phone
Jason.Lund@Colliers.com

Jerry P. Gisclair, MAI, MRICS
Regional Managing Director
4350 W. Cypress St, Suite 300
Tampa, FL 33607
813.871.8531 Phone
Jerry.Gisclair@Colliers.com

U.S. Regions and Locations

● Colliers International Valuation & Advisory Services ● Colliers



ATLANTA

1349 W. Peachtree Street, Suite 1100
Atlanta, GA 30009
678.392.3674 Phone

Jerry P. Gisclair, MAI, MRICS
Regional Managing Director
Jerry.Gisclair@colliers.com

BOSTON

160 Federal Street
Boston, MA 02110
617.330.8101 Phone

Robert LaPorte, MAI, CRE
Managing Director
Robert.Laporte@colliers.com

BUFFALO

49 Buffalo Street
Hamburg, NY 14075
716.312.7790 Phone

James Murrett, MAI, SRA
Appraisal Standards & Audit Services
Jim.Murrett@colliers.com

CENTRAL FLORIDA (TAMPA)

4350 W. Cypress Street, Suite 300
Tampa, FL 33607
813.871.8531 Phone

Jerry P. Gisclair, MAI, MRICS
Regional Managing Director
Jerry.Gisclair@colliers.com

CHICAGO

2 N. LaSalle Street, Suite 800
Chicago, IL 60602
312.602.6157 Phone

Jeremy R. Walling, MAI, MRICS
Managing Director
Jeremy.Walling@colliers.com

COLUMBUS / CLEVELAND

870 High Street, Suite 11
Columbus, OH 43085
614.540.2950 Phone

Bruce Nell, MAI, MRICS, MICP
Executive Managing Director
Bruce.Nell@colliers.com

DALLAS

4144 N. Central Expw., Suite 760
Dallas, TX 75204
214.217.9333 Phone

Daniel Maher
Valuation Specialist
Daniel.Maher@colliers.com

DENVER

7200 S. Alton Way, Suite B-260
Centennial, CO 80112
303.779.5500 Phone

Jonathan Fletcher, MAI
Managing Director
Jon.Fletcher@colliers.com

HAWAIIAN ISLANDS

140 Liliuokalani Avenue, Suite 106
Honolulu, HI 96815
808.926.9595 Phone

Bobby Hastings, MAI, MRICS
Managing Director
Bobby.Hastings@colliers.com

HOUSTON

1300 Post Oak Blvd, Suite 200
Houston, TX 77056
713.222.2111 Phone

Michael Miggins
Valuation Services Director
Michael.Miggins@colliers.com

LOS ANGELES / ORANGE COUNTY

20411 SW Birch Street, Suite 310
Newport Beach, CA 92660
949.474.0707 Phone

E. Jason Lund, MAI, MRICS
Regional Managing Director
Jason.Lund@colliers.com

MIAMI

95 Merrick Way, Suite 380
Coral Gables, FL 33134
305.447.7828 Phone

Sandy Londono, MAI
Managing Director
Sandy.Londono@colliers.com

NEW YORK

136 Madison Avenue, 5th Floor
New York, NY 10016
212.716.3824 Phone

Rich Mupo, MAI
Valuation Services Director
Rich.Mupo@Colliers.com

PHOENIX

2390 E. Camelback Road, Suite 100
Phoenix, AZ 85016
602.222.5165 Phone

Philip Steffen, MAI
Managing Director
Philip.Steffen@colliers.com

PORTLAND / VANCOUVER

110 SW Yamhill Street, Suite 200
Portland, OR 97204
503.226.0983 Phone

Jeff L. Grose, MAI, MRICS
Executive Managing Director
Jeff.Grose@colliers.com

SACRAMENTO

1508 Eureka Road, Suite 250
Roseville, CA 95661
916.724.5500 Phone

Jeffrey Shouse
Executive Managing Director
Jeffery.Shouse@colliers.com

SALT LAKE CITY

920 W. Heritage Park Suite 200-C
Layton, UT 84041
916.765.7992 Phone

R. Todd Larsen, MAI
Managing Director
Todd.Larsen@colliers.com

SAN DIEGO

750 B Street, Suite 3250
San Diego, CA 92101
619.814.4700 Phone

Rob Detling, MAI
Managing Director
Rob.Detling@colliers.com

SAN FRANCISCO

50 California, 19th Floor
San Francisco, California 94111
415.788.3100 Phone

Nick Carter
Valuation Services Director
Nick.Carter@Colliers.com

SEATTLE

1325 4th Avenue, Suite 1900
Seattle, WA 98101
206.343.7477 Phone

Reid Erickson, MAI
Executive Managing Director
Reid.Erickson@colliers.com

WASHINGTON D.C.

1700 K Street, NW, Suite 200
Washington, DC 20006
202.534.3000 Phone

Steven M. Halbert, JD, MAI, MRICS
Valuation Services Director
Steve.Halbert@colliers.com