COMPLETE APPRAISAL OF REAL PROPERTY

Barclay Square Apartments
3535 Cambridge Street
Las Vegas, Clark County, Nevada 89109

IN A SELF-CONTAINED APPRAISAL REPORT

As of 4/6/06

Prepared For:

Countrywide Commercial Real Estate Finance
4500 Park Granada, MS CH-21
Calabasas, CA 91302

Prepared By:
Cushman & Wakefield Nevada, Inc.
Valuation Services, Capital Markets Group
3930 Howard Hughes Parkway, Suite 230
Las Vegas, NV 89109

C&W File ID: 06-56001-9030

William J. Acton, MAI
Associate Director
Valuation Services
Capital Markets Group

Cushman & Wakefield of Nevada Inc.
3930 Howard Hughes Parkway, Suite 230
Las Vegas, Nevada 89109
(702) 691-2802 Tel - Direct
(702) 338-3050 Cell
(702) 973-4982 e-Fax
bill.acton@cushwake.com

May 15, 2006

Mr. Jason Mercado
Countrywide Commercial Real Estate Finance
4500 Park Granada, MS CH-21
Calabasas, CA 91302

Re: Complete Appraisal of Real Property
In a Self-Contained Report

Barclay Square Apartments
3535 Cambridge Street
Las Vegas, Clark County, Nevada 89109

C&W File ID: 06-56001-9030

Dear Mr. Mercado:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our complete appraisal report on the property referenced above.

The value opinion reported below is qualified by certain assumptions, limiting conditions, certifications, and definitions, which are set forth in the report. We particularly call your attention to the following extraordinary assumptions and hypothetical conditions:

Extraordinary Assumptions: This appraisal employs no extraordinary assumptions.

Hypothetical Conditions: This appraisal employs no hypothetical conditions.

This report was prepared for Countrywide Commercial Real Estate Finance for their specific use. It may be relied upon by (i) Countrywide Commercial Real Estate Finance, Inc (and its successors and assigns) in determining whether to make a mortgage loan and/or a mezzanine loan (collectively, the “Loan”) secured by or relating to the property which is the subject of this Report (the “Property”), (ii) any actual or prospective purchaser, participant, transferee, assignee or servicer (and each of their respective successors and assigns) of all or any portion the Loan, (iii) any actual or prospective investor (including agent or advisor) in any securities evidencing a beneficial interest in or backed by all or any portion of the Loan; (iv) any rating agency actually or prospectively rating any such securities; (v) any indenture trustee; (vi) any underwriter co-underwriting any such securities; and (vii) any institutional provider(s) of any liquidity facility or credit support for such financings.

This report or a reference to this report may be included, summarized or quoted in any offering circular, registration statement, prospectus, and any other document, and in any medium (including, without limitation, in CD-ROM form) and distributed in connection with a securitization or transaction involving any portion of the Loan and/or such securities.

It may be distributed to the client's attorneys, accountants, advisors, investors, lenders, potential mortgage participants and rating agencies. It may not be distributed to or relied upon by other persons or entities.

This appraisal report has been prepared in accordance with our interpretation of FIRREA, your institution's guidelines and requirements, the regulations of OCC, Fannie Mae Multifamily Delegated Underwriting guidelines and the Uniform Standards of Professional Appraisal Practice (USPAP), including the Competency Rule.

The property was inspected by and the report was prepared by William J. Acton, MAI. Eva Zupkova, a licensed intern, provided significant real estate research assistance.

This appraisal employs all three typical approaches to value: the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that due to the age and condition of the subject property, only the Sales and Income Approaches would be considered meaningful and applicable in developing a credible value conclusion. The subject property was built in 1974; therefore, the Cost Approach appears to be unreliable. In our analysis, we have not put any weight on this approach; however, we performed this exercise upon client's request.

Based on our Complete Appraisal as defined by the *USPAP*, we have developed an opinion that the market value of the Fee Simple estate of the referenced property, subject to the assumptions and limiting conditions, certifications, extraordinary and hypothetical conditions, if any, and definitions, “as is on April 6, 2006 is:

SEVENTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS

$17,500,000

Based on recent market transactions, as well as discussions with market participants, a sale of the subject property at the above-stated opinion of market value would have required an exposure time of approximately twelve (under 12 months) months. Furthermore, a marketing period of approximately twelve (under 12 months) months is currently warranted for the subject property.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD OF NEVADA, INC.

William J. Acton, MAI
Associate Director
Nevada Certified General Appraiser
License No. A.0004292-CG
bill_acton@cushwake.com
702.691.2802 Office Direct
702.796.7920 Fax

Common Property Name:	Barclay Square Apartments
Location:	3535 Cambridge Street Las Vegas, Clark County, Nevada 89109
	The subject is located one lot south of the southwest corner of Sierra Vista Drive and Cambridge Street, approximately 1/4 mile west of Maryland Parkway.
Property Description:	The property consists of 14 buildings, 12 of which are 2-story, 1 is 3-story, and 1 is a 1-story sales office building. This garden apartment community contains 191 units situated on a 7.12-acre parcel of land.
Assessor's Parcel Number:	162-15-610-001
Appraisal Guidelines:	This appraisal has been prepared in conformance with our interpretation of FIRREA, Countrywide Commercial Real Estate Finance institution's guidelines and requirements, the regulations of OCC, Fannie Mae Multifamily Delegated Underwriting guidelines and the Uniform Standards of Professional Appraisal Practice (USPAP), including the Competency Rule.
Interest Appraised:	Fee Simple Estate
Date of Value:	April 6, 2006
Date of Inspection:	April 6, 2006
Ownership:	Tower Development Group LLC
Occupancy:	Current physical occupancy is 92.67 percent, with 177 occupied units and 14 vacant units. Tenants are typically characterized as a mix of casino strip workers, singles and families.
<u>Current Property Taxes</u>	
Total Assessment:	$2,800,520
2006 Property Taxes:	$77,757
<u>Highest and Best Use</u>	
If Vacant:	Investment property development to the highest density possible
As Improved:	As it is currently employed
Site & Improvements	
Zoning:	H-1, Limited Resort and Apartment
Land Area:	7.12 net acres
	310,147 net square feet
Number of Units:	191

Number of Stories:	2 and 3-story
Number of Buildings:	14
Year Built/Renovated:	1974/2005
Type of Construction:	Wood stud wall construction
Net Building Area:	189,630
Parking:	372
	248 asphalt paved parking spaces plus 36 garages and 88 underground parking spaces. This is a typical parking ratio of 1.90 per unit.

INDICATED VALUE

Land Value:

Indicated Value:	$5,600,000
Per Square Foot:	$18.06

Deferred Maintenance:	None
Cost Approach:	
Indicated Value:	$13,010,000
Per Unit:	$68,115
Per Square Foot (NRA):	$68.61
Insurable Value:	$10,040,000
Sales Comparison Approach:	
Indicated Value:	$17,800,000
Per Unit:	$93,194
Per Square Foot (NRA):	$93.87

Income Capitalization Approach

Direct Capitalization

Net Operating Income:	$1,246,672
Capitalization Rate:	7.25 %
Indicated Value:	$17,200,000
Per Unit:	$90,029
Per Square Foot:	$90.68
FINAL VALUE CONCLUSION	**$17,500,000**
Per Unit:	$91,623
Per Square Foot:	$92.28
Implied Capitalization Rate:	7.12 %

Exposure Time:	under 12 months
Marketing Time:	under 12 months

Extraordinary Assumptions and Hypothetical Conditions

Extraordinary Assumptions

An extraordinary assumption is defined by the *USPAP* (2005 Edition, The Appraisal Foundation) as "an assumption, directly related to a specific assignment, 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."

This appraisal employs no extraordinary assumptions.

Hypothetical Conditions

A hypothetical condition is defined by the *USPAP* (2005 Edition, The Appraisal Foundation) as "that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions 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."

This appraisal employs no hypothetical conditions.

View looking west at the subject's 3-story building

Signage located along the eastern boundary, west of Cambridge Street

Exterior view of a typical two-story building

A typical interior view of a 1/1 unit

A typical interior view the kitchen area in a 1/1 unit

Interior view of a living room area in a 1/1 unit

Interior view of a typical 2/2 unit

Kitchen area in a 2/2 unit

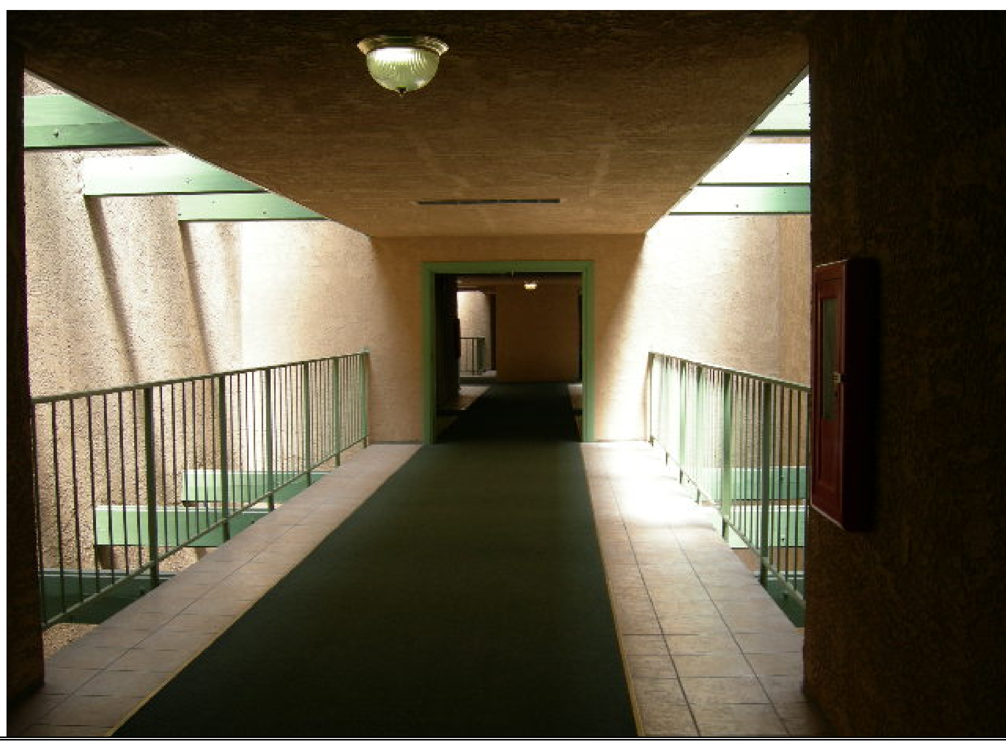
Laundry area in a 2/2 unit

Living room area in a 2/2 unit

Upstairs loft unit bedroom

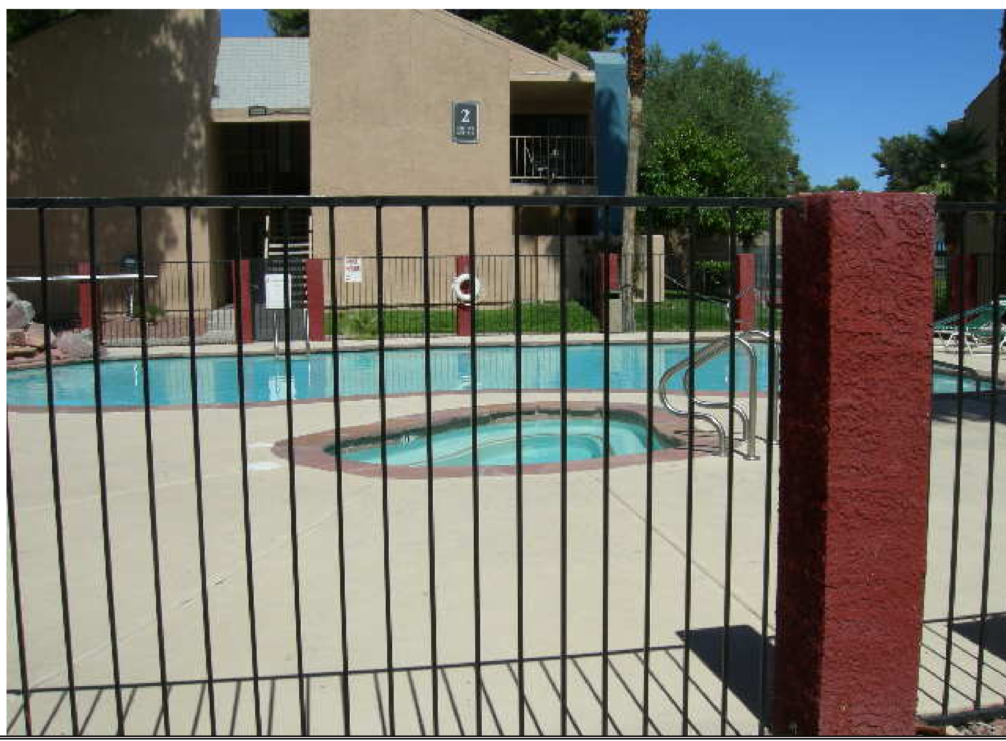
Interior view of the loft kitchen area

Interior view of a typical loft unit



Interior hallway in the 3-story building

Underground parking garage



Swimming pool area

View looking southeast at pool cabana

View looking west across the tennis court

Street scene looking south on Cambridge Street (subject on right)

Street scene looking north on Cambridge Street (subject on left)

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Identification of Property

Common Property Name:	Barclay Square Apartments
Location:	3535 Cambridge Street Las Vegas, Clark County, Nevada 89109 The subject is located one lot south of the southwest corner of Sierra Vista Drive and Cambridge Street, approximately 1/4 mile west of Maryland Parkway.
Property Description:	The property consists of a 32 year old, 14-building, 2- and 3-story garden apartment complex containing 191 units situated on a 7.12 acre site.
Assessor's Parcel Number:	162-15-610-001

Property Ownership and Recent History

Current Ownership:	Tower Development Group LLC
Sale History:	According to Clark County Assessor's records, the property was purchased by the current owner, Tower Development Group LLC, for $15,000,000, or $78,534 per unit, on June 1, 2005 under a Grant, Bargain and Sale Deed, document number 20050601:0000887 from 3535 Cambridge Inc. The previous owner acquired the property on March 31, 2000.

Intended Use and Users of the Appraisal

This appraisal is intended to provide an opinion of the market value of the Fee Simple interest in the property. This Report may be relied upon by (i) Countrywide Commercial Real Estate Finance, Inc (and its successors and assigns) in determining whether to make a mortgage loan and/or a mezzanine loan (collectively, the "Loan") secured by or relating to the property which is the subject of this Report (the "Property"), (ii) any actual or prospective purchaser, participant, transferee, assignee or servicer (and each of their respective successors and assigns) of all or any portion the Loan, (iii) any actual or prospective investor (including agent or advisor) in any securities evidencing a beneficial interest in or backed by all or any portion of the Loan; (iv) any rating agency actually or prospectively rating any such securities; (v) any indenture trustee; (vi) any underwriter co-underwriting any such securities; and (vii) any institutional provider(s) of any liquidity facility or credit support for such financings.

This report or a reference to this report may be included, summarized or quoted in any offering circular, registration statement, prospectus, and any other document, and in any medium (including, without limitation, in CD-ROM form) and distributed in connection with a securitization or transaction involving any portion of the Loan and/or such securities.

It may be distributed to the client's attorneys, accountants, advisors, investors, lenders, potential mortgage participants and rating agencies. All other uses and users not mentioned in this report are unintended.

Dates of Inspection and Valuation

The value conclusion reported herein is as of April 6, 2006. The property was inspected on April 6, 2006 by William J. Acton, MAI.

Property Rights Appraised

Fee Simple Interest

Scope of the Appraisal

This is a complete appraisal presented in a self-contained report, intended to comply with the reporting requirements set forth under the *USPAP* for a Self-Contained Appraisal Report. In addition, the report was also prepared to conform to the requirements of the Code of Professional Ethics of the Appraisal Institute and the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), Title XI Regulations.

In preparation of this appraisal, we investigated a wide array of vacant land and improved sales in the subject's submarket, analyzed rental data, and considered the input of buyers, sellers, brokers, property developers and public officials. Additionally, we investigated the general regional economy as well as the specifics of the local area of the subject.

The scope of this appraisal required collecting primary and secondary data relative to the subject property. The depth of the analysis is intended to be appropriate in relation to the significance of the appraisal issues as presented herein. The data have been analyzed and confirmed with sources believed to be reliable, in the normal course of business, leading to the value conclusions set forth in this report. In the context of completing this report, we have made a physical inspection of the subject property and the comparables. The valuation process involved utilizing market-derived and supported techniques and procedures considered appropriate to the assignment.

This appraisal employs all three typical approaches to value: the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that due to the age and condition of the subject property, only the Sales and Income Approaches would be considered meaningful and applicable in developing a credible value conclusion. The Cost Approach was employed at the client's request and is given little weight in our final value conclusion.

Definitions of Value, Interest Appraised and Other Terms

The following definitions of pertinent terms are taken from the *Dictionary of Real Estate Appraisal*, Fourth Edition (2002), published by the Appraisal Institute, as well as other sources.

<u>Market Value</u>

> Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. A current economic definition agreed upon by agencies that regulate federal financial institutions in the United States of America follows, taken from Advisory Opinion-22 of *USPAP* of The Appraisal Foundation:
>
> 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 US 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.

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.

Leased Fee Interest

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease.

Leasehold Interest

The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

1. Lessee and lessor are typically motivated.
2. Both parties are well informed or well advised, and acting in what they consider their best interests.
3. A reasonable time is allowed for exposure in the open market.
4. The rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract.
5. The rental amount represents the normal consideration for the property lease unaffected by special fees or concessions granted by anyone associated with the transaction.

Cash Equivalence

A price expressed in terms of cash, as distinguished from a price expressed totally or partly in terms of the face amounts of notes or other securities that cannot be sold at their face amounts. Calculating the cash-equivalent price requires an appraiser to compare transactions involving atypical financing to transactions involving comparable properties financed at typical market terms.

Value As Is

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

Exposure Time and Marketing Time

Exposure Time

Under Paragraph 3 of the Definition of Market Value, the value opinion presumes that "A reasonable time is allowed for exposure in the open market". Exposure time is defined as the length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effective date of the appraisal. Exposure time is presumed to precede the effective date of the appraisal.

The reasonable exposure period is a function of price, time and use. It is not an isolated opinion of time alone. Exposure time is different for various types of property and under various market conditions. As noted above, exposure time is always presumed to precede the effective date of appraisal. It is the length of time the property would have been offered prior to a hypothetical market value sale on the effective date of appraisal. It is a retrospective opinion based on an analysis of past events, assuming a competitive and open market. It assumes not only adequate, sufficient and reasonable time but adequate, sufficient and a reasonable marketing effort. Exposure time and conclusion of value are therefore interrelated.

Based on discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been under 12 months. This assumes an active and professional marketing plan would have been employed by the current owner.

Marketing Time

Marketing time is an opinion of the time that might be required to sell a real property interest at the concluded market value level. Marketing time is presumed to start during the period immediately after the effective date of an appraisal. (Marketing time is subsequent to the effective date of the appraisal and exposure time is presumed to precede the effective date of the appraisal). The opinion of marketing time uses some of the same data analyzed in the process of developing a reasonable exposure time opinion as part of the appraisal process and it is not intended to be a prediction of a date of sale or a one-line statement.

We believe, based on the assumptions employed in our analysis, as well as our selection of investment parameters for the subject, that our value conclusion represents a price achievable within a period of under 12 months.

Legal Description

The subject site is identified by Clark County as Parcel Numbers 162-15-610-001. The legal description is enclosed in the Addenda of this report.

REGIONAL MAP

Introduction

The short- and long-term value of real estate is influenced by a variety of factors and forces that interact within a given region. Regional analysis serves to identify those forces that affect property value, and the role they play within the region. The four primary forces that influence real property value include environmental characteristics, governmental forces, social factors, and economic trends. These forces determine the supply and demand for real property, which, in turn, affect market value.

The subject property is located in the town of Winchester in the central portion of the Las Vegas MSA.

Economic & Demographic Profile

The following profile of the Las Vegas MSA was provided by Economy.com, a leading provider of economic, financial, and industry information.

Economy.com's core assets of proprietary editorial and research content as well as economic and financial databases are a source of information on national and regional economies, industries, financial markets, and demographics. The company is staffed with economists, data specialists, programmers, and online producers who create a proprietary database.

Economy.com's approach to the analysis of the U.S. economy consists of building a large-scale, simultaneous-equation econometric models, which they simulate and adjust with local market information, creating a model of the U.S. macro economy that is both top-down and bottom-up. As a result, those variables that are national in nature are modeled nationally while those that are regional in nature are modeled regionally. Thus, interest rates, prices, and business investment are modeled as national variables; key sectors such as labor markets (employment, labor force), demographics (population, households, and migration), and construction activity (housing starts and sales) are modeled regionally and then aggregated to national totals. This approach allows local information to influence the macroeconomic outlook. Therefore, changes in fiscal policy at the national level (changes in tax rates, for example) are translated into their corresponding effects on state economies. At the same time, the growth patterns of large states, such as California, New York, and Texas, play a major role in shaping the national outlook.

In addition on a regional basis, the modeling system is explicitly linked to other states through migration flows and unemployment rates. Economy.com's model structure also takes into account migration between states.

LAS VEGAS

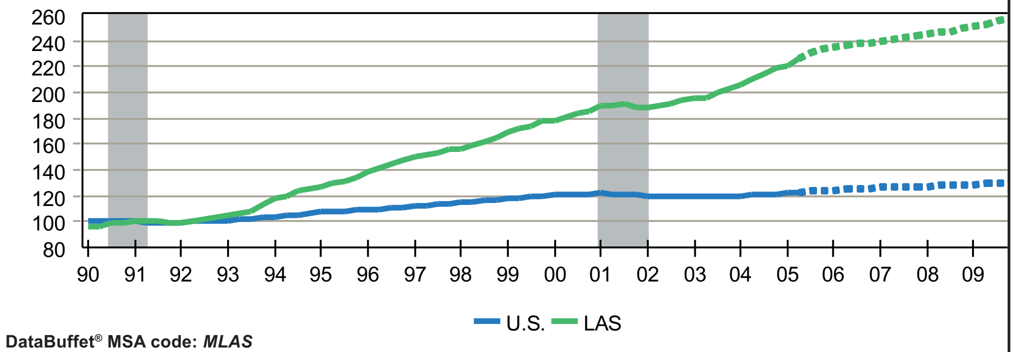
EMPLOYMENT GROWTH RANK (Best=1, Worst=387)	
2004-06	5 (1st quintile)
2004-09	8 (1st quintile)

LIFE CYCLE PHASE: Mature

VITALITY (Best=1, Worst=387): 62 (1st quintile)

COST OF DOING BUSINESS (U.S.=100%): 110%

COST OF LIVING (U.S.=100%): 109%



DataBuffet® MSA code: *MLAS*

1998	1999	2000	2001	2002	2003	2004	Indicators	2005	2006	2007	2008	2009
45.0	48.0	50.5	52.1	54.0	57.9	63.9	**Gross Metro Product, C$B**	70.0	73.6	75.8	78.4	81.5
5.0	*6.8*	*5.1*	*3.2*	*3.7*	*7.3*	*10.4*	*% Change*	*9.5*	*5.0*	*3.1*	*3.4*	*3.9*
614.7	661.9	697.8	726.8	731.0	760.3	811.8	**Total Employment (000)**	871.8	907.7	926.2	945.0	972.7
5.1	*7.7*	*5.4*	*4.2*	*0.6*	*4.0*	*6.8*	*% Change*	*7.4*	*4.1*	*2.0*	*2.0*	*2.9*
4.3	4.2	4.6	5.5	5.8	5.2	4.4	**Unemployment Rate**	4.0	4.3	4.5	4.5	4.3
12.2	8.7	9.3	4.7	4.7	8.1	10.6	**Personal Income Growth**	11.5	6.9	6.1	6.0	6.6
1,251.3	1,321.3	1,393.2	1,456.3	1,515.8	1,575.4	1,650.7	**Population (000)**	1,721.0	1,790.0	1,852.5	1,905.8	1,966.6
19,856	19,919	21,282	21,871	22,148	27,354	31,741	**Single-Family Permits**	29,910	30,315	28,360	27,149	27,382
10,788	6,937	4,942	7,836	7,008	9,378	4,654	**Multifamily Permits**	7,437	6,267	3,683	4,461	4,691
127.9	130.6	137.4	148.6	160.1	181.1	264.9	**Existing Home Price ($Ths)**	299.1	279.0	255.3	261.5	285.9
9,204	8,822	7,847	15,332	18,703	31,614	37,990	**Mortgage Originations ($Mil)**	46,861	35,313	29,312	27,869	30,245
62.9	58.9	59.8	51.4	47.9	47.7	63.3	**Net Migration (000)**	56.9	55.2	48.3	38.9	46.0
11,306	10,290	9,787	13,161	14,614	15,711	12,711	**Personal Bankruptcies**	11,921	13,519	15,810	17,251	17,590

STRENGTHS & WEAKNESSES

STRENGTHS

- No personal tax.
- Robust population growth supports local industries and the housing market.
- LAS continues to diversify its brand to appeal to a wider audience.

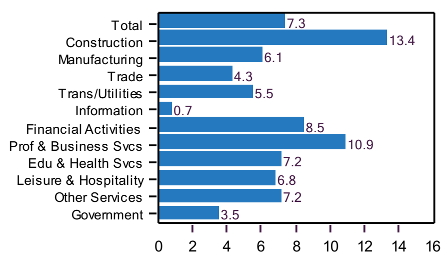
WEAKNESSES

- Over-reliance on tourism endangers employment growth and fiscal conditions.
- Below average per capita income.
- Water scarcity may ultimately constrain growth.

CURRENT EMPLOYMENT TRENDS

November 2005 Employment Growth

% change year ago, 3 mo. MA



FORECAST RISKS

SHORT TERM ↓ LONG TERM ↑ RISK-ADJUSTED RETURN, '04-09 **0.69%**

UPSIDE

- Industrial base diversifies to a greater extent than anticipated.
- Tourism industry invests further in non-gaming attractions.
- State government broadens the tax base.

DOWNSIDE

- Housing market is at risk for a sharp correction in response to rising interest rates.
- Renewed geopolitical tensions weaken tourism.

ANALYSIS

Recent Performance. The Las Vegas economy remains in excellent health. Payroll growth continues to outpace the national rate by a wide margin. Job growth has been almost uniformly positive, with services leading the way. Leisure/hospitality continues to expand at a healthy clip. Despite rising interest rates, construction employment remains healthy. A robust labor market is evidenced by the unemployment rate, which stands at 4.1%. The strong pace of employment growth is supporting income gains, helping households to shore up their balance sheets. Against a strong employment backdrop and favorable demographics, the housing market remains well supported, although speculative excesses remain a concern.

Gaming. The gaming industry remains a stalwart source of growth for LAS. In September, gaming revenue for the Strip was up 17.8% on a year-ago basis, and visitor volume was up 1.5%. Convention traffic was equally robust, as LAS hosted over 400,000 trade show attendees in the third quarter. These are strong results considering the devastating hurricanes and the subsequent rise in oil prices in September. Forward looking indicators, such as predicted visitor volume and the pace of business travel, suggest ongoing strength in LAS's gaming industry, despite tightening macroeconomic conditions.

High-end casinos like MGM Grand and Wynn have felt little impact from the tightening in macroeconomic conditions.However, as these upper-end casinos expand into East Asia, LAS could face intensifying competition to attract international visitors. KeyBank Capital Markets estimates that Macau could overtake LAS as the world's largest gaming market by 2008. This could threaten LAS's hegemony in the gaming industry and potentially weigh on leisure/hospitality payrolls.

Construction. The residential market in LAS is beginning to slow in concert with many other previously hot property markets. LAS house prices appreciated 13% in the third quarter, which is significantly lower than its peak of 43% a year ago. Permitting activity has also slowed appreciably. Given that the residential market has been particularly prone to speculative activity, recent anecdotal evidence suggesting that the pace of speculative sales is growing bodes poorly for the housing market. On balance, the LAS housing market is susceptible to a sharp correction, especially as mortgage rates continue to rise.

But despite the impending slowing in the residential market, the commercial construction market remains well supported. Heavy construction projects have been awarded to improve the security of the LAS airport, and widen the I-215 highway. Another $40 million project is slated to build an industrial complex. Such projects will support construction payrolls at a time when other sources of support wane.

Balance sheets. Bankruptcies per thousand are structurally higher in LAS, and according to Moody's Economy.com's CreditForecast.com, debt burdens in LAS are higher than the national average. Thus, with pressure from higher interest rates and the slowdown in the real estate market, which has been the dominant component of wealth through equity withdrawals, consumer balance sheets may come under increasing pressure.

Las Vegas continues to post stellar job growth. However, downside risks are mounting as cyclical sources of support wane. The impact on the LAS economy could be adverse if consumer activity retrenches as interest rates continue to rise. The low level of economic diversity makes LAS highly leveraged to tourism revenue and heightens the risk of volatile swings in employment. Nevertheless, due to strong population trends and low business costs, the outlook continues to call for exceptionally strong growth. LAS will be one of the top performing metro areas in the U.S. over the forecast horizon.

Charmaine Buskas
December 2005

EMPLOYMENT & INDUSTRY

TOP EMPLOYERS

Harrah's Entertainment, Inc.	46,600
MGM Mirage	36,000
Mandalay Bay Resort & Casino	>25,000
Boyd Gaming Corporation	14,700
Nellis Air Force Base	11,000
Station Casinos	11,000
Coast Casinos	7,252
Rio Properties, Inc.	>5,200
Venetian Casino Resorts LLC	4,600
University of Nevada-Las Vegas	4,000-4,999
Las Vegas Hilton	>4,000
Excalibur Hotel/Casino	3,634
University Medical Center of S. Nevada	>3,600
Sunrise Hospital and Medical Center	3,000
Aladdin Resort & Casino	2,800
Bechtel Nevada	2,610
Community College of Southern Nevada	2,586
Imperial Palace Hotel and Casino	2,400
Icahn Gaming	2,300
Tropicana Resort & Casino	2,200

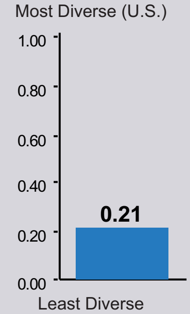
Sources: Guide to Military Installations, 2005 &
Las Vegas Business Press, Book of Lists, September 2004

Public

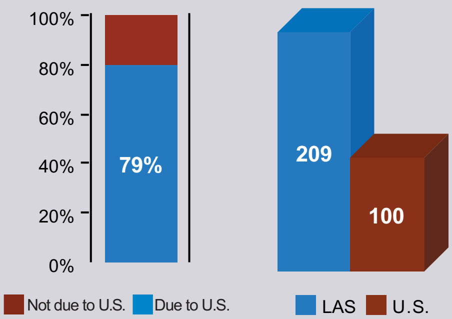
Federal	10,692
State	14,551
Local	57,864

2004

INDUSTRIAL DIVERSITY



EMPLOYMENT VOLATILITY

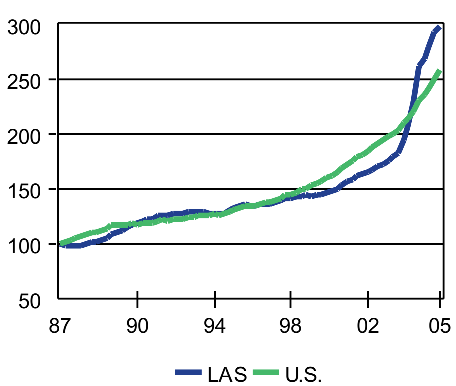


COMPARATIVE EMPLOYMENT AND INCOME

Sector	% of Total Employment LAS	NV	US	Average Annual Earnings LAS	NV	US
Construction	10.8%	10.2%	5.3%	$52,739	$51,000	$43,405
Manufacturing	2.9%	4.0%	10.9%	$52,883	$53,195	$63,608
Durable	*66.4%*	*66.7%*	*62.3%*	*nd*	*$56,717*	*$66,482*
Nondurable	*33.6%*	*33.3%*	*37.7%*	*nd*	*$45,610*	*$58,981*
Transportation/Utilities	3.7%	3.8%	3.7%	$45,950	$46,479	$52,867
Wholesale Trade	2.5%	3.1%	4.3%	$58,516	$55,200	$59,820
Retail Trade	11.0%	10.9%	11.4%	$29,999	$28,617	$25,982
Information	1.3%	1.3%	2.4%	$65,384	$54,956	$74,870
Financial Activities	5.7%	5.3%	6.1%	$40,852	$38,074	$50,152
Prof. and Bus. Services	11.8%	11.5%	12.5%	$45,074	$43,472	$46,927
Educ. and Health Services	6.6%	6.9%	12.9%	$45,350	$44,024	$37,997
Leisure and Hosp. Services	30.5%	27.1%	9.5%	$33,126	$31,447	$18,752
Other Services	2.9%	3.0%	4.1%	$24,631	$23,094	$22,636
Government	10.2%	12.0%	16.4%	$57,419	$56,329	$50,297

Source: Percent of total employment - Moody's Economy.com & BLS, 2004; Average annual earnings - BEA, 2003

HOUSE PRICES



Source: OFHEO, 1987Q1=100, NSA

CREDIT QUALITY

FITCH	MOODY'S
N/A	Aa2

LEADING INDUSTRIES

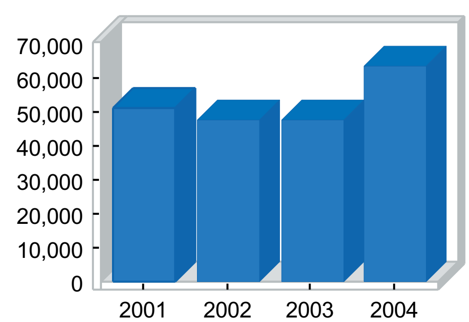
NAICS	Industry	Employees (000)
7211	Traveler Accommodation	166.5
GVSL	State & Local Government	72.4
7221	Full-Service Restaurants	28.8
7222	Limited-Service Eating Places	22.2
2381	Foundation, Structure & Bldg. Ext. Contract.	21.4
2382	Building Equipment Contractors	17.8
2383	Building Finishing Contractors	16.4
5613	Employment Services	16.3
2360	Construction of Buildings	13.7
5617	Services to Buildings and Dwellings	13.3
2370	Heavy and Civil Engineering Construction	12.4
ML	Military Personnel	12.1
6221	General Medical and Surgical Hospitals	11.5
4451	Grocery Stores	11.3
GVF	Federal Government	10.7
	High-tech employment	16.7
	As % of total employment	2.0

Sources: BLS, Moody's Economy.com, 2004

MIGRATION FLOWS

Into Las Vegas	Number of Migrants	Median Income
Los Angeles CA	11,955	21,661
Riverside CA	4,451	20,914
San Diego CA	3,968	26,068
Santa Ana CA	3,611	28,468
Chicago IL	2,689	28,669
Phoenix AZ	2,281	25,623
Oakland CA	2,196	30,808
New York NY	1,751	26,857
Salt Lake City UT	1,478	25,679
Denver CO	1,430	27,505
Total Inmigration	97,147	23,067
From Las Vegas		
Los Angeles CA	3,397	17,410
Riverside CA	2,430	21,385
Phoenix AZ	2,401	27,153
San Diego CA	1,769	21,985
Santa Ana CA	1,194	23,653
Reno NV	1,055	19,432
Chicago IL	923	22,385
Sacramento CA	817	24,303
Seattle WA	717	20,761
Salt Lake City UT	703	23,557
Total Outmigration	56,000	21,979
Net Migration	**41,147**	**1,088**

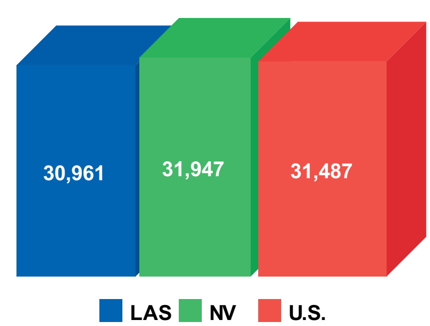
Net Migration, LAS



	2001	2002	2003	2004
Domestic	40,616	37,319	37,417	53,111
Foreign	10,751	10,548	10,252	10,226
Total	51,367	47,867	47,669	63,337

Source: IRS (top), 2004; Census Bureau & Moody's Economy.com, 2004

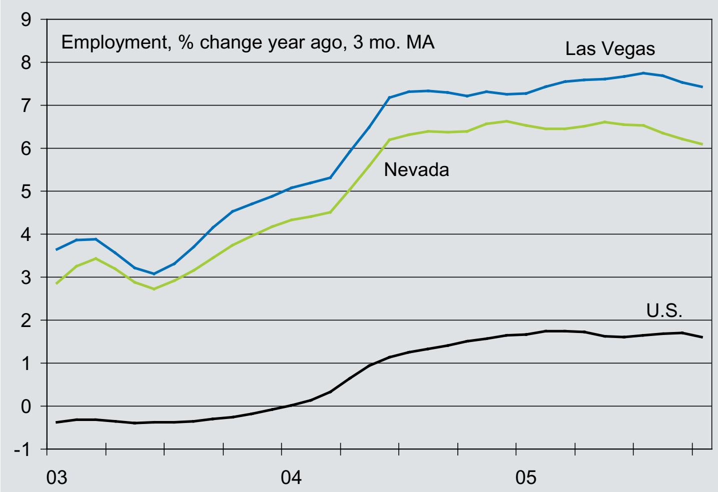
PER CAPITA INCOME



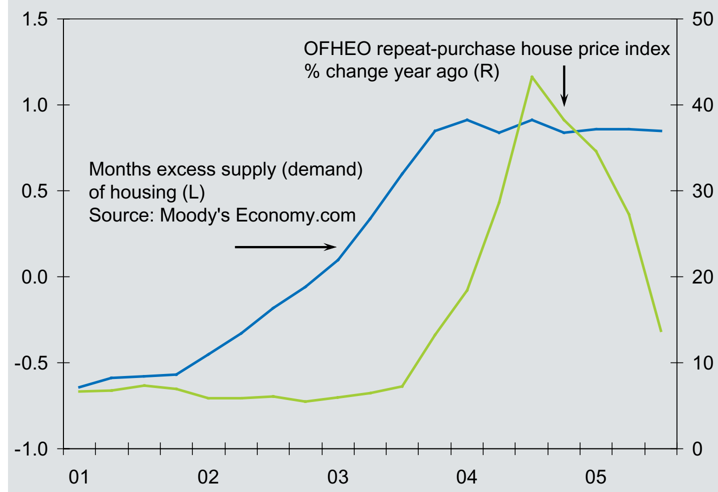
Source: Bureau of Economic Analysis, 2003

Las Vegas

Las Vegas Is Still the Fastest Growing Metro Area in the Nation

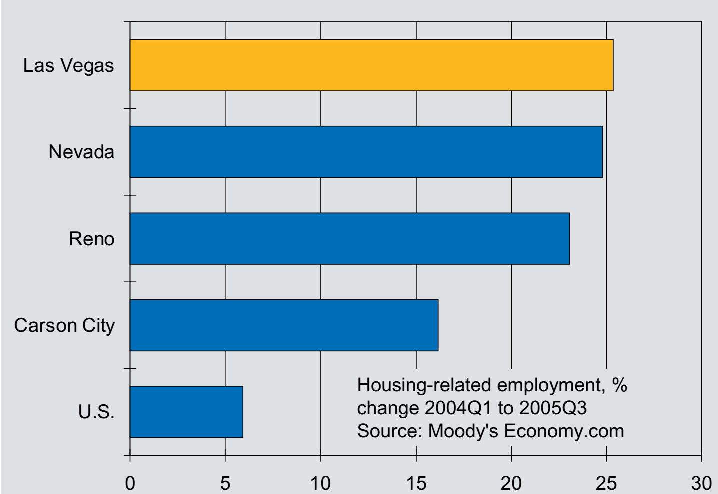


The Housing Market Returns from the Stratosphere

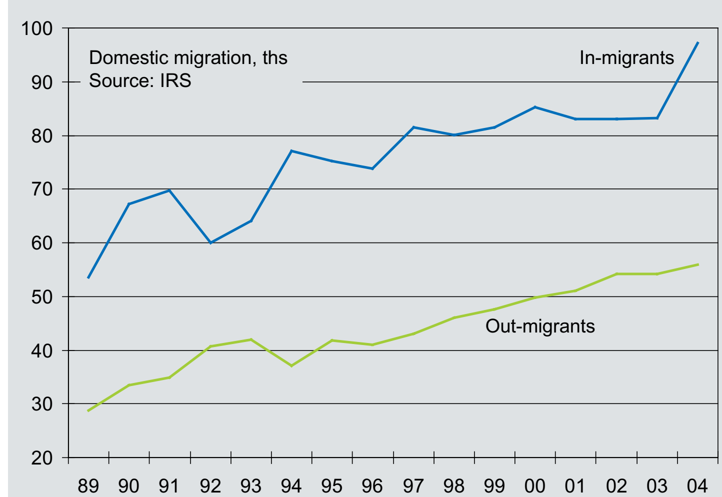


The LAS housing market has started to cool and is increasingly vulnerable to headwinds. In line with the ongoing increase in interest rates, house-price appreciation has slowed from the blistering pace of 2004. This slowdown has helped equilibrate supply constraints. But even so, house-price appreciation still remains well above the national pace. The lingering strength in housing could wane quickly as speculative buyers seek to lock in profits before the market slows even further. Moreover, given the rapid pace of appreciation over the past several years, the LAS housing market appears particularly susceptible to a sharp correction in prices.

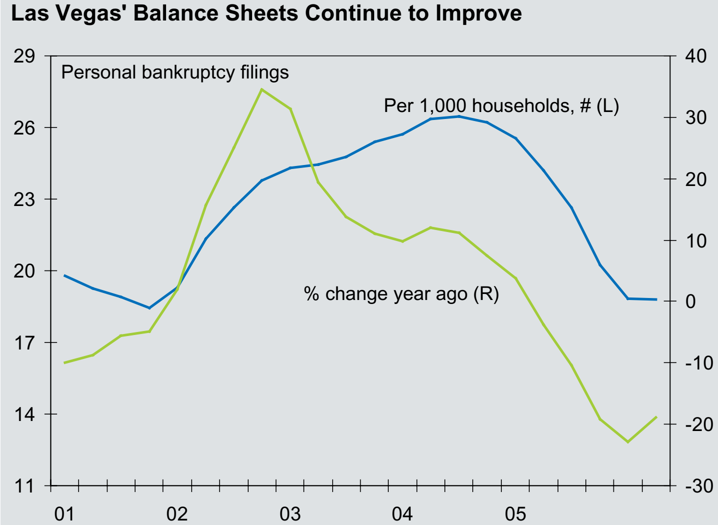
The Housing Market Has Been a Boon for Las Vegas



Favorable Migration Trends Bode Well for Long-Term Growth



Las Vegas' Balance Sheets Continue to Improve



LAS's economy has several favorable factors that will underpin long-term growth. Strong migration trends will keep population growth strong, and this remains a key driver of employment growth. The metro area has gained on average 36,000 new residents per year for the past 13 years. Sectors that have benefited the most from strong population growth include leisure/hospitality, professional/business services and construction. Looking ahead, however, the rapid pace of population growth is expected to moderate. At this point, LAS's lack of diversity may prove to be a stumbling block if the metro area is unable to gain other industries to provide a counterbalance.

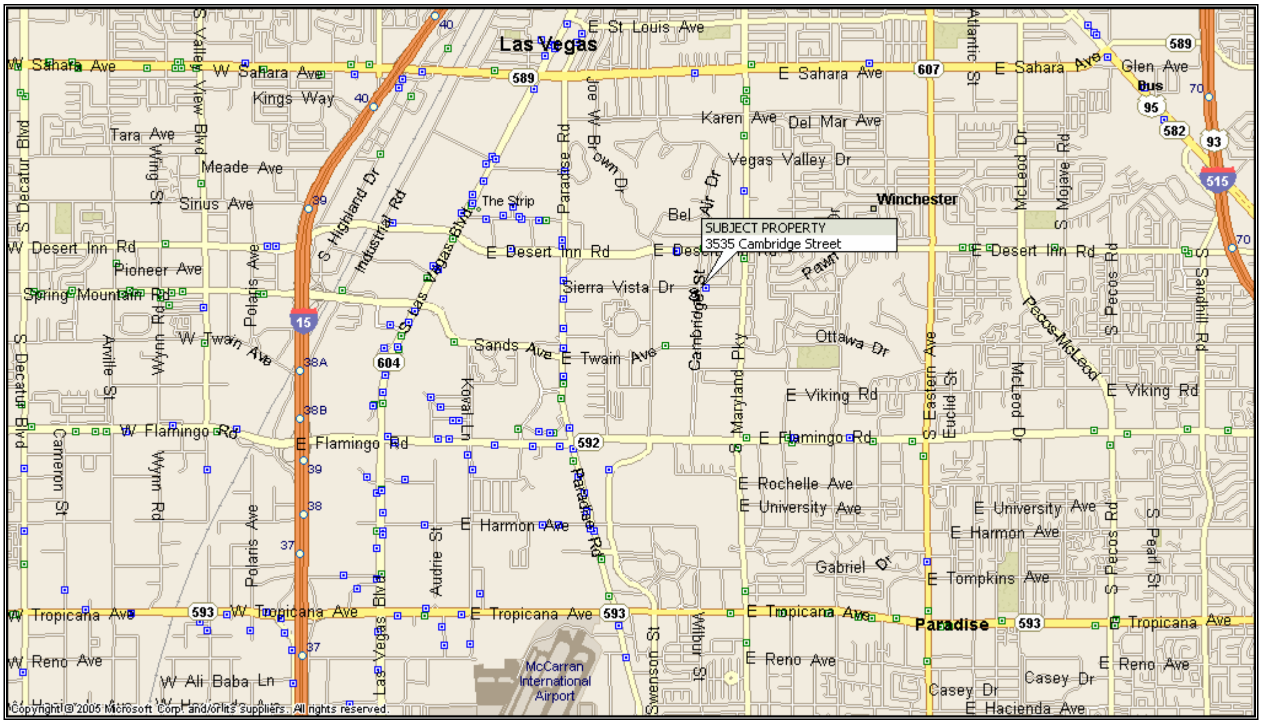
Critical Observations

The following bullet points summarize some of our general observations relating to the subject's region.

- Location - The Las Vegas MSA is located in the southeastern portion of the State of Nevada.
- Economy - Las Vegas's economy is expanding. Employment is heavily dependent upon gaming and tourism (leisure/hospitality services). Although gaming's impact on the local economy remains large, the construction, retail, and financial services sectors have grown dramatically in recent years. As a result of the nationwide spread of Indian gaming, Las Vegas has shifted its revenues streams towards the entertainment, retail, and convention industries.
- Population - Population growth in the MSA is forecasted to be 2.38 percent per year for the next four years. The metro area has averaged 36,000 new residents each year for the past 13 years.
- Income - Income levels are projected to increase at an annual rate of about 6.4 percent per year over the next four years. Per capita income is above statewide levels and above the national average, with a relatively average cost of living.
- Strengths - Strengths of the region include a robust gaming and tourism market and proximity to California's large population base markets. In April 2005, the Wynn Las Vegas casino-resort opened. Other large casinos, such as Bellagio, Caesar's Palace, Mandalay Bay, and the Venetian are scheduled to complete new additions soon. In 2004, a record 37 million tourists visited Las Vegas. With the planned casino expansions, visitor counts are projected to be 39.6 million in 2006. In recent years, the timeshare market and second home market have also grown substantially. The MSA also benefits from a rapidly growing transportation network, a favorable tax environment, and a good quality of life. The presence of Federal (Nellis Air Force Base), local governments and education (University of Nevada at Las Vegas) also help to stabilize the workforce.
- Weaknesses - Weaknesses within the MSA include a rapid increase in housing prices. Local incomes have not kept up with housing prices. Construction now represents the area's second largest employer and the fastest growing employment sector. If interest rates increase substantially, this could adversely impact the local economy. Due to rapid population growth, local public agencies have continued to find it difficult to build enough new schools and roadways to keep pace. Due to rapid increases in housing prices, the State legislature passed new legislation capping annual property tax increases to 8 percent for commercial properties and 3 percent for residential properties. In the long term, rapid municipal transportation (including both a light rail and monorail system) are planned to make Las Vegas more accessible and reduce congestion. In 2006, a record number of existing and new homes were on the market as a result of investors trying to cash out. Due to its heavy dependence upon the gaming and leisure industries, the local economy is susceptible to national terrorism fears (the local economy experienced a one year recession following the event of 9/11.)

Conclusion

In light of the social and economic attributes of the greater Las Vegas area, we are optimistic about the short-term outlook. In 2006, the economy is expected to achieve record visitor volumes, strong job growth, low unemployment, and continued population growth. Long-term, the region should see stability and moderate growth, with increasing real estate values.



CUSHMAN & WAKEFIELD.

Location

The property is located in Clark County, within the greater Las Vegas area. Generally, the boundaries of the immediate area are Sahara Avenue to the north, Eastern Avenue to the east, Flamingo Road to the south, and Paradise Road to the west. The famous Las Vegas Boulevard, also known as The Strip, is located approximately one mile west of the subject. The McCarran International Airport is located 1.5 miles south, and the Downtown Central Business District and Fremont Street Experience are located approximately 3 miles northwest of the subject property.

The neighborhood boundaries are best described as:

North: Sahara Avenue

East: Eastern Avenue

South: Flamingo Road

West: Paradise Road

Access

Access through the neighborhood is provided by a grid of arterials, collectors and local streets. Paradise Road, Maryland Parkway, and Eastern Avenue represent the principal north-south arterials and represent the western and eastern boundaries of the subject's neighborhood, respectively. Primary east/west arterial streets include Sahara Avenue, Desert Inn Road, and Flamingo Road. The neighborhood is directly served by Las Vegas' freeway system. Interstate 15 Highway, a federal north-south highway, is located less than 2 miles west of the neighborhood. There are full-diamond interchanges at Sahara Avenue and Flamingo Road.

Cambridge Street is a north/south, one-lane in each direction, residential collector street which abuts the subject's eastern boundary. This street is improved with vertical concrete curbs, sidewalks and gutters, and provides direct access to subject.

Transportation

Public transportation is provided by Clark County's CAT bus line, which provides bus service throughout most metropolitan Las Vegas. The monorail system extends along Paradise Road and Sands Avenue along the neighborhood's eastern and southern boundaries. The monorail's present route extends from MGM Grand at Flamingo Road to the Sahara Hotel at Sahara Avenue. Future plans are to extend to monorail to the downtown area. The Regional Transportation Commission plans to construct the Regional Fixed Guideway, a light rail commuter system near the existing Union Pacific Railroad right of way in the next 15 years. This system will extend from southern Henderson to Speedway Boulevard in the far northeast.

Public Services

Schools, fire and police protection are adequate for the neighborhood. Local children attend Thomas and Crestwood-Edison elementary schools, Orr middle school, and the Valley high school.

Local Area Land Uses

The neighborhood is greatly influenced by the large casino resort hotels situated within the Las Vegas Strip Resort corridor. The Strip resort corridor is primarily situated between Interstate 15 Highway on the West and Paradise Road, adjacent west of the subject's western neighborhood boundary. Most of the larger hotels feature Las Vegas Boulevard frontage. Most of the megaresorts were built in the past 20 years including Mandalay Bay, Luxor, Excalibur, MGM Grand, New York New York, Monte Carlo, Bellagio, Paris, Mirage, Aladdin, Venetian and Treasure Island. Some of the Strip's largest hotels are approximately forty to fifty years of age and include Flamingo, Bally's, Harrah's, Imperial Palace, Circus Circus, New Frontier, Stardust, Riviera and Sahara Casinos.

A secondary hotel corridor also exists along Paradise Road along the resort corridor's eastern boundary. Many of these hotels are aimed at the conventioneer market and do not feature gaming. Paradise Road hotels include the Las Vegas Hilton, Residence Inn, Courtyard by Marriot, Fairfield Inn Suites, Embassy Suites, Atrium Suites, Candlewood Suites, AmeriSuites, LaQuinta Inn, and Budget Suites. A Renaissance by Marriott Hotel containing 548 rooms and 18,000 square feet of meeting space opened in December 2004. It is located near the southeast corner of Desert Inn and Paradise Road. A new Homewood Suites Hotel is also planned south of the southwest corner of Riviera Boulevard and Paradise Road.

Built in 1965, Las Vegas Country Club (LVCC) contains an 18-hole private golf course designed by Ed Ault and custom single-family homes. LVCC lies in the northwestern portion of the neighborhood. Las Vegas National private golf course and country club is located in the southeastern portion of the subject. Wynn Las Vegas Resort and Golf Course is located adjacent west of the neighborhood.

In the past, the primary area of development occurred along Las Vegas Boulevard (The Strip), south of Spring Mountain Road. The Wynn Resort, which opened April 28, 2005, sparked interest of investors in the northern portion of The Strip and the surrounding areas. Many sites have been acquired for redevelopment of high-rise condominiums and mixed-use projects. As suburban development moved further out from the central core, the areas proximate to the subject property are being redeveloped with high-rise condominiums and mixed-use projects. Among the projects either proposed, approved or currently under construction near the subject property are included: Metropolis' Lofts and flats are located on the north side of Desert Inn Super Arterial; 3 existing towers and 1 currently under construction by Turnberry Place are located 1 mile northwest of the subject. The two-tower Turnberry Towers and Icon condo tower are currently under construction adjacent north of Hilton hotel. These contain two 45-story towers at the NEC of Paradise Road and Karen Avenue overlooking the Las Vegas Country Club. Wynn Casinos is building Encore, a 2,054 room, $1.74 billion all suite hotel, just north of the Wynn Las Vegas. Future Las Vegas Central condo project consisting of two 52-story condo towers will be located on Sierra Vista Drive, east of Paradise Road.

The majority of land uses along the neighborhood's major arterials are commercial in nature, such as retail/office buildings, service-center uses, and a mix of various commercial uses. Land uses along side streets tend to be residential in nature. The subject neighborhood encompasses approximately 4 square miles. The local area residents consist of primarily low-income service workers with a 2005 average household income of $40,383, which is approximately 37 percent below the 2005 Clark County average household income of $64,059.

There are numerous older apartment complexes in the immediate vicinity of the subject property. These typically range from 40-50 years in age. Many of the improved properties in the subject's local market area are at the end of their economic life, acquired for land value only.

The subject property neighborhood represents one of the largest and oldest apartment communities in the Las Vegas area. There are a total of 41 apartment projects totaling 10,107 units, which were built in early 1960's to early 1990's. All of these projects are located within a 1-mile radius of the subject property. Majority of these projects represent a class C apartment projects. The following table represents the subject neighborhood apartment community.

Apartment Communities		
Name	Year Built	Number of Units
Deer Creek	1980	332
Hampton Court	1974	420
Park Terrace	1975	199
Pinewood	1972	764
Mulberry Hollow	1973	176
Oasis Place	1992	240
Boardwalk	1992	120
Clock Towers	1974	218
Diplomat	1960	178
Las Palmas	1974	393
Beverly Alexander Apartments	1963	168
Pine Park	1987	120
Sierra Vista Square	1980	174
Sierra Pointe	HUD	160
The Bingo Suites	1975	132
Barclay Square (Subject)	1974	191
Parkview Pointe	1972	192
Apple Apartments	1973	208
Coliseun Villas	1976	185
Mark Twain	1987	228
Shelter Island	1989	455
Blue Harbor Club	1985	399
Maryland Park Apartments	1971	135
Las Brisas	1971	307
Katie Arms	1979	107
The Falls	1990	230
Oasis Plaza	1976	300
Rivergate	1977	220
Riverbend Village	1978	212
Southern Cove	1988	100
Oasis Bay	1990	128
Viking Villas	1985	153
Tropicana Royale	1977	324
Andover Place	1978	308
Holiday Royale	1973	300
Fox Hall	1976	108
Reno Villas	1980	122
Paradise Bay Club	1988	544
Rainwalk	1970	307
Country Hills	HUD	208
Cobblestone Creek	1980	342
TOTAL:		10,107

Source: 1St Half 2006 Landiscore Real Estate Photo Book by CBRE

Among the neighborhood retail centers are included the Boulevard Regional Mall, which is a 1,184,766-square foot mall built in 1967 and anchored by Dillard's, Sears, JC Penney, and Macy's. It is located ¼ mile east of the subject. The 87,044-square foot Park Place retail center is located at the SWC of Twain and Maryland Parkway. Built in 2001, it is anchored by Von's. Built in 1987 and anchored by Target, the 163,100-square foot Maryland Crossing retail center is located at the NWC of Maryland Pkwy and Flamingo Road. Best on The Boulevard is a 204,565-square foot power center built in 1996 and anchored by Best Buy, Barnes & Noble, Cost Plus, and Copeland Sports. The center is located at the SEC of Maryland and Katie, approximately ½ mile southeast of the subject. The Mission Center is located adjacent south of the Best on The Boulevard. Built in 1977, the center is anchored by Albertson's, Sav-On Drugs, Toys R Us, and TJ Maxx. Anchored by Food 4 Less, the 50,000-square foot Eastgate Plaza is located at the SWC of Sahara Avenue and Eastern Avenue. Sahara Town Center is located at the SEC of Sahara Avenue and Maryland Pkwy. The center is anchored by Smith's. The Sunrise City Plaza and the Sahara Square Shopping Center are located at the SWC of Katie and Maryland, and the SWC of Maryland Pkwy and Sahara Avenue, respectively. These centers are anchored by Albertson's, Big 5 and Office Maxx.

Employment

The primary employment centers within the neighborhood primarily consist of major hotel-casino resort operations, including the Sahara, Las Vegas Hilton, Riviera, Circus Circus, Stardust, Frontier, Venetian, The Wynn Resort and Stratosphere. Many area residents are employed as casino service employees along the Strip. In addition to the large casinos on The Strip, other large area employers include Fashion Show Mall, the Las Vegas Convention Center, Mandalay Bay Convention Center, McCarran International Airport, and the University of Nevada at Las Vegas.

Land Uses Adjacent to the Subject:

- North: Sierra Vista Square Apartments
- South: Parkview Pointe Apartment Homes, and retail development along Twain Avenue
- East: Rainwalk Apartments, Cambridge Market
- West: Pinewood Apartments, Clock Tower Apartments

Special Hazards or Adverse Influences

In the course of our inspection and analysis of the market area, it was noted that the subject neighborhood has a higher than average number of reported crimes according to the Las Vegas Metropolitan Police Department. A new Metro Police substation is planned east of the NEC of Paradise and Sierra Vista, about one-half mile west of the subject.

Demand Generators for Real Estate

- Access to surrounding areas and to Las Vegas Boulevard via monorail. The monorail system extends along Paradise Road and Sands Avenue along the neighborhood's eastern and southern boundaries. The monorail's present route extends from MGM Grand at Flamingo Road to the Sahara Hotel at Sahara Avenue. Future plans are to extend the monorail to the downtown and airport areas.
- Immediately adjacent demand generators include the Sahara, The Wynn Resort, Las Vegas Hilton Hotel-Casinos and the Las Vegas Convention Center, the world's largest.

- Existing and proposed high-rise condo towers including Turnberry Place, Turnberry Towers, Ivana, Icon, Majestic, Sky, Trump International, Las Vegas Central, and Metropolis will bring new residents to the area.
- Proximity to famous Las Vegas Boulevard, The Strip.
- Highly desirable community with prime commercial exposure.

Conclusions

- The subject's local area appears to be in the redevelopment stage with many of the existing improvements being at the end of their life cycle.
- The area benefits by favorable population and economic growth trends. The site is located near the Strip Resort Corridor, which enjoys 38 million annual visitors.
- Many of the older existing uses (40-50 years) are near the end of their economic life and are being demanded for redevelopment and gentrification for a more profitable use. Based upon planned projects, the character of the area is expected to change during the next three to five years.
- Based on the preceding discussion, we believe the outlook for the subject's neighborhood, in general, and the subject property, in particular, is positive.

Trade Area Analysis

In order to define and analyze the market potential of the subject, it is important to first establish the boundaries of the trade area from which the subject draws its customers. Based on the subject's physical and locational aspects as well as its size, we conclude that it serves a primary trade area within a 3-mile radius and a secondary trade area in a 5-mile radius. The following represents a demographic study of the subject's area compiled through reference with **Claritas, Inc**.

Provided on the following page is a demographic data summary for the subject's primary and secondary trade areas. To add perspective, we have included a summary of the 1.0, 3.0 and 5.0-mile radii, as well as comparable data for the town of Paradise, Clark County, and the State of Nevada.

Population

Population statistics for the primary trade area show that between 2000 and 2005, population changed at a compound annual rate of approximately 0.46 percent. During this same period, the population within the secondary trade changed 0.59 percent per annum.

Through 2010, the population within the subject's trade area will continue to increase at a compound annual rate of approximately 1.23 percent per annum, or 184,260 persons.

Households

A household consists of all the people occupying a single housing unit. While individual members of a household purchase goods and services, these purchases actually reflect household needs and decisions and levels of disposable income. Thus, the household (and subsequently, income) is one of the critical units to be considered when reviewing market data and forming conclusions about the demographic impact on existing and proposed shopping centers.

National trends indicate that the number of households is increasing at a faster rate than the growth of the population. The tabulated data supports this phenomenon locally. According to Claritas, Inc., household formation has occurred since 2000 at a 0.24 percent compound rate of growth within the subject's primary trade area. Between 2005 and 2010 the primary trade area is expected to grow at a pace of 1.10 percent per year.

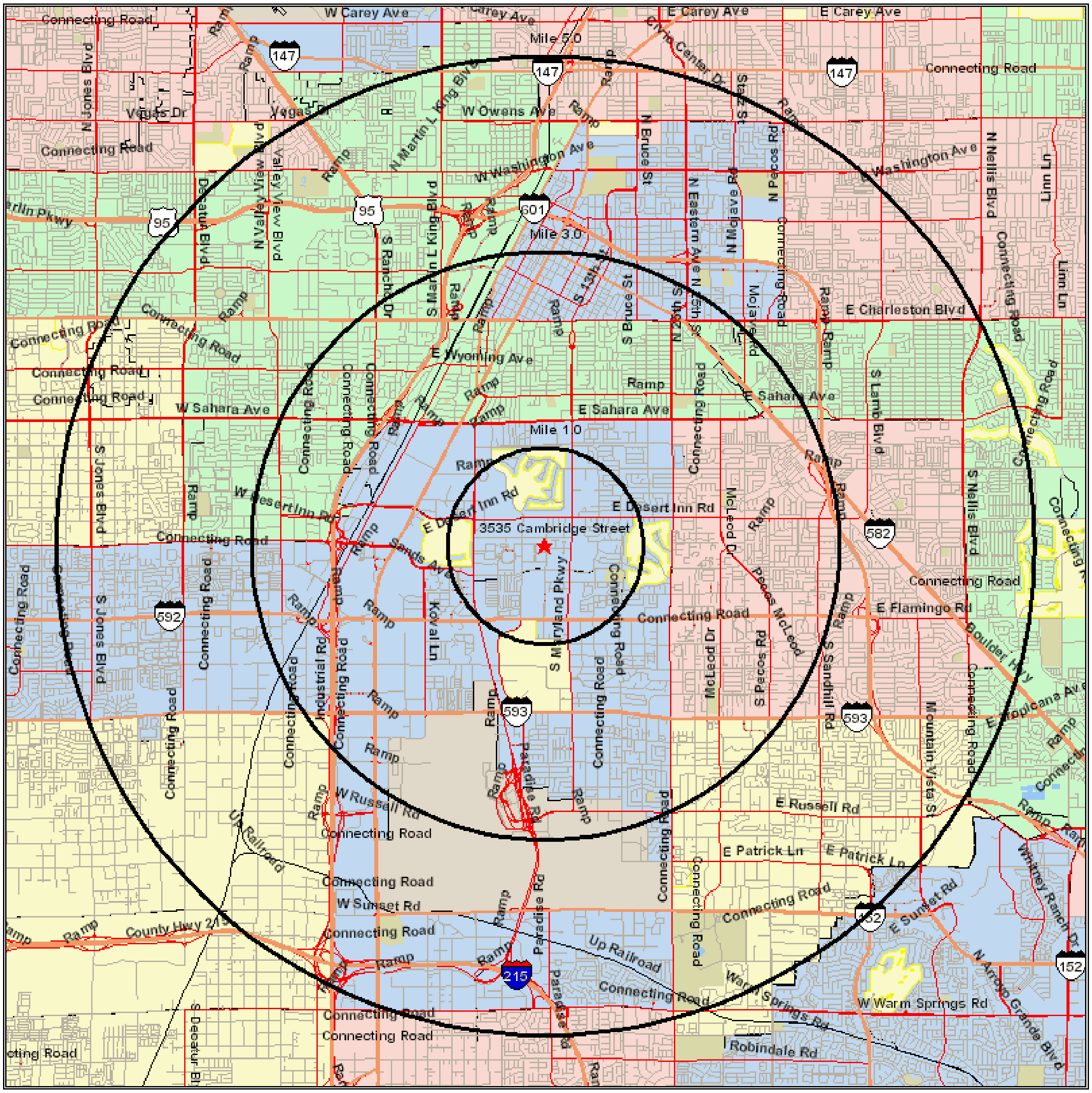
Income

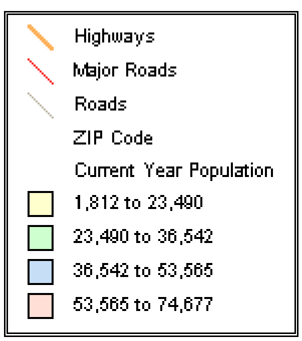
Income levels in a trade area reflect the potential expenditures of the residents; thus forming an important component of retail trade area analysis. In other words, median household income times the number of households yields one significant measure of an area's retail sales potential. According to Claritas, Inc, average household income within the primary trade area is $40,383.

Expanding to include the secondary trade area, average household income was $44,811. Between 2005 and 2010, the primary trade area is expected to experience annual compound income growth of 0.45 percent, or $41,292, which bodes well for the local economy. The 2005 annual compound income in the primary trade area was approximately 37 percent below the Clark County annual compound income of $64,059.

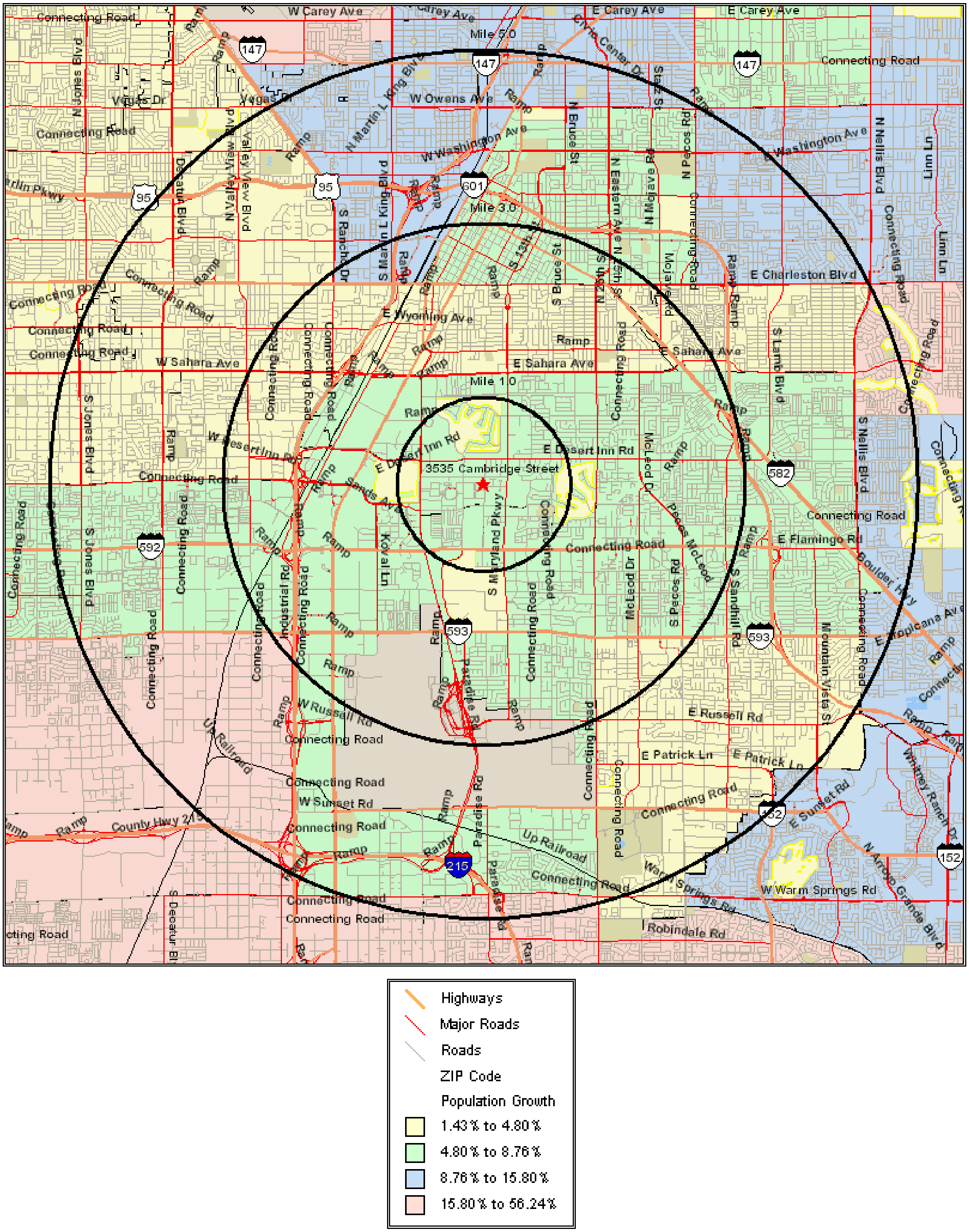
DEMOGRAPHIC PROFILE 3535 CAMBRIDGE STREET LAS VEGAS, NEVADA	1.0 MILE	3.0 MILES	5.0 MILES	PARADISE	CLARK COUNTY, NV	NEVADA
Population						
2000 Population	30,213	169,467	442,918	186,070	1,375,765	1,998,257
2005 Population	31,957	173,358	456,237	211,316	1,667,216	2,352,344
2010 Population	35,027	184,260	486,748	239,164	1,971,977	2,723,029
% Change 2000 to 2005	1.13%	0.46%	0.59%	2.58%	3.92%	3.32%
% Change 2005 to 2010	1.85%	1.23%	1.30%	2.51%	3.41%	2.97%
Per Capita Personal Income						
2000 Per Capita Personal Income	$17,560	$18,471	$17,897	$21,231	$21,785	$21,989
2005 Per Capita Personal Income	$16,950	$18,140	$17,788	$21,926	$23,864	$24,221
2010 Per Capita Personal Income	$17,505	$18,394	$18,160	$23,116	$26,219	$26,754
% Change 2000 to 2005	-0.71%	-0.36%	-0.12%	0.65%	1.84%	1.95%
% Change 2005 to 2010	0.65%	0.28%	0.42%	1.06%	1.90%	2.01%
Households						
2000 No. Households	13,914	73,963	173,150	77,209	512,253	751,165
2005 No. Households	14,559	74,867	176,369	85,800	614,820	877,139
2010 No. Households	15,860	79,092	186,881	96,089	723,008	1,010,255
% Change 2000 to 2005	0.91%	0.24%	0.37%	2.13%	3.72%	3.15%
% Change 2005 to 2010	1.73%	1.10%	1.16%	2.29%	3.29%	2.87%
Persons Per Household						
2000 Persons Per Household	2.13	2.23	2.51	2.39	2.65	2.62
2005 Persons Per Household	2.15	2.25	2.53	2.44	2.68	2.64
2010 Persons Per Household	2.17	2.27	2.55	2.47	2.7	2.66
% Change 2000 to 2005	0.24%	0.22%	0.23%	0.46%	0.24%	0.21%
% Change 2005 to 2010	0.15%	0.15%	0.16%	0.23%	0.15%	0.14%
Average Household Income						
2000 Avg Household Income	$37,550	$40,567	$44,492	$50,457	$57,621	$57,531
2005 Avg Household Income	$36,778	$40,383	$44,811	$53,520	$64,059	$64,201
2010 Avg Household Income	$38,266	$41,292	$46,160	$57,105	$70,953	$71,452
% Change 2000 to 2005	-0.41%	-0.09%	0.14%	1.19%	2.14%	2.22%
% Change 2005 to 2010	0.80%	0.45%	0.59%	1.31%	2.07%	2.16%
Income Ranges						
Median Income	$27,302	$30,135	$34,589	$42,356	$49,312	$49,487
$150,000 or more	1.96%	2.10%	2.20%	3.11%	5.24%	5.22%
$100,000 to $149,000	2.47%	3.61%	4.64%	7.82%	10.37%	10.37%
$75,000 to $99,999	4.25%	5.46%	7.02%	10.25%	12.35%	12.41%
$50,000 to $74,999	10.20%	13.31%	16.55%	19.15%	21.24%	21.40%
$35,000 to $49,999	18.04%	17.69%	18.97%	18.98%	17.50%	17.30%
$25,000 to $34,999	17%	16.11%	15.45%	13.36%	11.85%	11.83%
$15,000 to $24,999	22.08%	19.76%	16.88%	13.88%	10.69%	10.58%
Under $15,000	24%	21.96%	18.31%	13.46%	10.77%	10.88%
2000 Median Income	$26,077	$29,753	$34,152	$39,814	$45,179	$45,105
2010 Median Income	$28,522	$30,854	$35,542	$45,102	$54,813	$55,262
Occupancy						
2000 Occupied Housing Units	15,923	83,059	190,332	85,398	559,799	827,457
Owner Occupied	13%	27.17%	37.47%	40.64%	54.10%	55.26%
Renter Occupied	74.39%	61.88%	53.50%	49.77%	37.41%	35.52%
Education						
2000 Population 25+ by Education Level	20,504	118,250	291,768	126,703	900,400	1,310,176
Bachelors Degree Only	8.55%	9.16%	8.33%	11.84%	11.46%	12.07%
Graduate Degree	5.51%	5.12%	4.36%	5.89%	5.88%	6.09%
Retail Trade Potential						
Total Retail Potential	$879,686,739	$7,541,348,273	$14,174,416,324	$7,411,295,420	$29,376,502,249	$38,940,822,085
Apparel Accessory	$188,403,255	$1,111,315,316	$1,643,391,745	$999,610,148	$2,473,807,883	$2,775,786,865
Automotive Dealers	$54,784,524	$1,146,947,588	$2,298,530,139	$604,558,037	$5,225,444,951	$7,116,363,948
Automotive & Home Supply Stores	$9,687,374	$118,515,308	$287,019,427	$107,230,840	$592,228,037	$865,801,063
Drug & Proprietary Stores	$24,552,707	$187,137,715	$354,721,888	$189,662,657	$911,787,010	$1,098,062,037
Eating & Drinking Places	$117,821,049	$1,217,325,905	$1,892,989,806	$1,118,561,924	$3,782,043,996	$4,612,941,990
Food Stores	$123,352,626	$572,412,628	$1,411,724,044	$554,976,728	$3,130,171,017	$4,485,517,004
Furniture Home Furnishing Stores	$20,282,884	$175,675,596	$431,724,774	$221,989,635	$941,217,900	$1,164,901,013
Home Appliance, Radio, & T.V. Stores	$22,097,280	$179,682,471	$398,653,549	$209,212,030	$708,244,122	$898,266,091
Gasoline Service Stations	$24,300,137	$184,910,478	$430,211,364	$190,096,376	$1,191,825,967	$1,673,360,980
General Merchandise	$155,005,380	$587,237,012	$1,243,428,539	$652,065,274	$2,901,253,021	$4,135,431,024
Department Store	$150,888,991	$451,006,449	$934,469,028	$449,328,667	$2,025,103,096	$2,883,689,104
Hardware, Lumber & Garden Stores	$36,216,997	$421,790,828	$1,207,750,919	$481,879,906	$2,328,739,651	$3,455,651,423
Total Retail Sales - Including Food Services 2005	NA	NA	NA	NA	NA	$38,445,171,000
Total Retail Sales - Not Including Food Services 2005	NA	NA	NA	NA	NA	$33,832,229,000
Total Retail Sales - Including Food Services 2010	NA	NA	NA	NA	NA	$50,950,649,000
Total Retail Sales - Not Including Food Services 2010	NA	NA	NA	NA	NA	$44,801,216,000

CURRENT YEAR POPULATION MAP





POPULATION GROWTH MAP



CUSHMAN & WAKEFIELD®

MEDIAN INCOME MAP

CUSHMAN & WAKEFIELD.

Housing Occupancy

Home ownership levels can provide insight into the characteristics of a specific sub-market. Typically, markets dominated by renters (versus owners) have greater expenditures for short haul moving including smaller to mid sized trucks, moving materials, short-term storage, etc. Homeowners tend to move less frequently, but the total expenditures are greater, due to the need to lease larger vehicles. Also, higher education levels typically are associated with home ownership, and accordingly greater expenditures per household move.

According to Claritas, in 2005, the ratio of home ownership within the primary trade area is equal to 27.17 percent, versus 37.47 percent in the secondary trade area. The market is dominated by renter occupied units, with 61.88 percent of residents leasing their residence.

Summary and Conclusion of Trade Area Analysis

- The trade area is characterized by its dense population. Both the population and number of households are expected to grow over the next five years, the average household income is expected to grow.
- The locale's stability and high occupancy rates for competing properties are indications that the area should continue to be successful.

Conclusion

In summary, it is our opinion that the subject's market area will continue to grow in both population and income for the foreseeable future. The high occupancy levels of nearby properties, combined with the very limited new construction, indicate continued success for the market. For the near term, occupancies are expected to remain at or near stabilized levels and rents are expected to grow moderately. Our near-term outlook for the area is positive.

National Apartment Market

According to the 1st Quarter 2006 Korpacz Investor Survey, investment demand in the national apartment rental and condo conversion market remains strong. A major enticement for buyers is the fact that rental demand is expected to remain strong over the next several years, resulting in steady income streams. Real Capital Analytics, Inc. (RCA) reported that the offerings of apartment properties slowed slightly in October 2005 to $4.7 billion. According to REIS, approximately 117,900 rental units were converted to condominiums in 2005. By comparison, this total was 67,300 in 2004 and 17,800 units in 2003. When combined with an increase in demand, this sector's vacancy rate dipped to 5.7 percent at year-end 2005, its lowest annual vacancy rate since 2001. With investment demand very strong and prices at or near record high levels in many individual markets, sellers continue to flood this sector with offerings. According to RCA, 784 apartment properties were sold to converters in 2005, which represented an increase of 141 percent from the previous year.

Fueling the investment climate is the condo conversion movement. Condo converters represented 1/3 of all sales of garden communities and half of all midrise/highrise properties. Due to the presence of condo converters, they have been driving prices up and increasing market activity. About half of all condo conversions are in a handful of markets including San Diego, Las Vegas, Northern Virginia, and Southeast Florida.

Capitalization rates have hit bottom in most markets. Nationwide, the average asking cap rate for garden apartments as of 1st Quarter 2006 was 6.06 percent, down from 6.13 percent in 4th Quarter 2005.

Through the 1st Quarter of 2006, Las Vegas had 150 apartment properties totaling 5,604 units, which were either sold or under contract. These properties totaled $535.7 million in revenue, or about $95,592 per unit, making a valley record. Prices are now $10,000 per unit more costly than a year ago and 46.5 percent higher than in 2004. Out of 150 apartment properties, there were only 40 sales with 100 units or more during the 1st Quarter 2006, due to limited available quantities and apartment-to-condominium conversions. According to Home Builders Research Inc., there have been 2,190 converted condo sales through March 2006, which accounts for 24.5 percent of the total home sale market in the valley.

Las Vegas Multifamily Market Overview

In order to better analyze the financial feasibility and marketability of residential uses within the subject development, a detailed discussion and analysis of multifamily residential market conditions for metropolitan Las Vegas and the subject's market area are provided.

About one third of Clark County's population resides in apartments. Most of the area's apartment projects are clustered near major freeways and arterial streets. New Class A and B projects developed in the past five years feature amenity packages similar to those found in condominium projects, i.e. personal washers and dryers, gated entry, exercise facilities, and lush landscaping. Las Vegas' itinerant demographics (a large inflow and outflow of new residents) create a constant churn in the rental market.

Oasis Development is the area's largest apartment developer with over 15,000 units under management. Con Am Management Corporation manages 30 complexes totaling 9,380 units in the Las Vegas Valley. Pacific Properties manages 15 complexes totaling over 4,500 units.

Permit Activity/Demand

Historically, metropolitan Las Vegas multifamily residential building activity can be best characterized as a series of cycles. Peaks in new permits occurred in 1988/1989 (13,341 to

18,583) and 1996/1998 (11,287 to 10,076). This was followed by gradual declines in new construction as demand caught up with the supply. Since 2000, multifamily permits gradually increased through 2002, declined in 2003, and rose in 2004. Depending on the source, new units are forecast in 2005 to range from 3,100 to 4,400.

MULTI-FAMILY SUMMARY				
Year	Units permitted	Units completed	Absorbed	Vacancy
1999	5,400	7,800	7,300	4.6%
2000	5,100	5,000	4,100	4.8%
2001	7,900	5,300	1,600	6.1%
2002	7,300	4,700	4,000	8.4%
2003	4,500	4,800	7,200	7.9%
2004	5,000	-2,000	2,000	6.8%
2005	4,400	-3,800	2,000	4.6%
2006 est.		3,700		

Source: CBRE

During the past seven years, Valley apartment permits have averaged about 5,660 units per year. About 4,900 units per year have been completed during this period. Average absorption for the past 7 years is 4,350. In 2005, it is expected that vacancies should decline as absorption exceeds new supply.

The scarcity of land remains a limiting factor for many apartment developers. Apartment land prices have doubled since 1999. The lack of affordable land has resulted in a slowdown in the amount of new construction, which is currently planned. Development costs are estimated to have risen 50 percent in the past year, making only the most upscale projects feasible. New multi-family development remains concentrated in the high-end condominium segment.

Vacancy

Several different sources track vacancy in Las Vegas, each having slightly different figures. Historical vacancies in Las Vegas are summarized as follows.

HISTORICAL AVERAGE VACANCY - LAS VEGAS

1994	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**
2.9%	3.2%	5.2%	7.8%	6.7%	4.6%	4.8%	6.1%	8.4%	6.3%	5.2%	3.6%

Source: Hendricks & Partners

Apartment vacancies decreased by nearly 31 percent in 2005 from 2004 levels. This was caused by three factors: a decline in the apartment stock due to condo conversions, little new construction due to rapidly rising land costs, and more households are being priced out home ownership due to rapidly rising home prices. Demand for apartments has remained strong locally by Las Vegas's continued economic growth and large population and job growth.

A detailed monthly 2005 year-to-date vacancy by class are summarized as follows. The following table presents apartment vacancies within the Class A, B and C categories for 2005.

In May 2005, the vacancy rate was 4.65 percent citywide and a slightly higher average of 4.66, 4.76 and 4.35 percent, respectively for Class A, B and C categories citywide according to CB Richard Ellis.

Year	Month	Monthly Market Average	Class A	Class B	Class C
2005	January	4.54	4.60	4.32	4.95
	February	4.37	4.67	4.11	4.36
	March	4.27	4.78	3.93	4.06
	April	4.63	4.86	4.46	4.57
	May	4.65	4.66	4.76	4.35
	Average	4.49	4.71	4.32	4.46

Source: CBRE

Due to the decreased travel post September 11th, which reduced hotel and casino traffic, apartment occupancies suffered in 2002 due to staff reduction at hotels and casinos and continued new supply. However since 2003, as the national economy recovered, normalized travel resumed, and new home prices continued to increase, apartment demand increased, allowing vacancy levels to decrease. According to the April 2006 CB Richard Ellis survey, the overall Las Vegas market vacancy was 5.29 percent based on 65,352 apartment units surveyed. There were 22,721 apartment units surveyed in Class A, 30,412 apartment units in Class B, and 12,219 apartment units in Class C, indicating overall vacancies of 4.51 percent, 5.52 percent, and 6.15 percent, respectively.

Rent Levels

The following table summarizes a 12-month comparison of vacancy and rents for the Las Vegas apartment submarkets compiled by Hendricks & Partners. Hendricks & Partners identifies Green Valley-Henderson portion of Las Vegas as lying within the City of Henderson area. Each brokerage firm has slightly different names and boundaries for their submarkets. The Green Valley/Henderson submarket boundaries, identified by Hendricks & Partners, are the City of Henderson's boundaries, which are roughly Russell Road to the north, Eastern Avenue and St. Rose Parkway to the west, BLM lands to the south, Lake Mead Recreational Area to the east.

SECOND QUARTER 2005 LAS VEGAS APARTMENT MARKET RECAP					
	Vacancy		Average Rents		
Market Area	4th Qtr. 2005	4th Qtr. 2004	4th Qtr. 2005	4th Qtr. 2004	Annual Increase
Lone Mtn./NW Las Vegas	3.6%	4.3%	$811	$781	3.9%
North Las Vegas	5.0%	3.9%	$795	$756	5.3%
Downtown	3.3%	2.4%	$668	$610	9.5%
Sunrise Manor/East LV	5.8%	4.4%	$744	$689	8.1%
Spring Valley/Enterprise	3.2%	3.2%	$830	$788	5.3%
The Strip	3.3%	4.4%	$808	$763	5.9%
Paradise	3.3%	3.7%	$787	$752	4.7%
Green Valley/Henderson	3.5%	3.8%	$909	$865	5.1%
Totals	3.6%	3.8%	$815	$773	5.5%
Source: Hendricks & Partners *Apartment Update*					

Las Vegas apartment rental rates have grown in the past year and are anticipated to continue to grow through 2006. Valley-wide rental rates increased 5.5 percent in 2005, 4.9 percent in 2004, 1.5 percent in 2003, and 0.9 percent in 2002. The current rent rate per the Hendricks and Partners averages $815 per month with overall vacancy of 3.6 percent. This is an improvement from 3.8 percent in 2004. Due to the significant amount of supply additions in 2002 and 2003, rental concessions, primarily in the form of free rent, were used to fill new projects and retain tenants in existing projects. Rents increased slightly in 2003 and 2004, although concessions were widespread. As of 1st Quarter 2006, concessions are diminishing due to high occupancy levels of 96.4 percent.

Growth of Condo Conversions

In 2004, the number of apartment to condominium conversions increased significantly as the median home price and rising mortgage interest rates priced many potential homebuyers out of the market. With new median home prices approaching $342,900 and resale median home priced over $260,000, many homebuyers are now considering condominiums as an affordable housing alternative. The median price of condominium conversions is between $90,000 and $150,000. The Bentley Group expected 7,000 to 10,000 apartments to be converted into condominiums in 2004. This amounts to about 4 percent of the Las Vegas Valley's total apartment inventory.

The Valley's rental market is shrinking as demand continues to rise for condo conversion. There were 190,694 apartment units in Southern Nevada in March 2004. The current inventory, however, is around 178,914 units, or 6.1 percent less than 21 months ago. There were roughly 7,000 units being converted into condos at the end of 2005. In mid-2004, there were 13 projects in the conversion process. Most of the complexes under conversion are well-amenitized, newer Class A projects. From January through May 2004, there were 3,023 condominiums and townhouse closings in Clark County. This represents 56.71 percent increase from 2003 levels. The median price of condominiums in May 2004 was $157,500, up 46.5 percent from May 2003.

As of March 2006, there were 150 apartment complexes, totaling 5,604 units, sold in the first quarter of 2006. This amount represented a 35 percent decrease from the previous year. The sale price climbed to an average of $95,600 per unit, marking a valley record. Prices on a per unit basis are 46.5 percent higher than in 2004. Out of 150 apartment complexes, there were only 40 sales with 100 units or more during the first quarter, due to limited available quantities and apartment-to-condominium conversions. According to Home Builders Research Inc., there were 2,190 converted condo sales through March 2006, which account for 24.5 percent of the total home sale market in the valley. The demand for apartments suitable for condo conversions is creating a seller’s market with more demand and capital chasing a limited supply of product. Investors are also willing to pay a premium for apartment projects, which were platted as condos but became rental units when the condo market was down. There are numerous such projects located in Henderson and the west side. Converters are paying top dollar for these projects with premiums, which are well above economic levels supported by their use as apartments. Realtors anticipate that investors will purchase many of these units and rent them out. As more apartments are converted into condominiums, there is anticipated to be a drop in vacancies for the remaining apartment stock. As of March 2006, there was a record low 3.29 percent vacancy rate, down from the valley’s standard 5 percent. According to CB Richard Ellis, 4,450 rental units will be converted for sale in 2006. Rents, as a result, averaged $882 per month in the first quarter of 2006, a 2 percent increase from the previous quarter, and they are expected to climb another 6 to 8 percent before year’s end.

In addition to the condo conversions, a number of apartment projects were acquired for redevelopment purposes in 2004 and 2005. Many of these projects were acquired for demolition of the existing improvements and are planned for redevelopment with high-rise condos. All of these projects feature Class B and C apartment complexes built between the 1960s and 1980s. Ten projects totaling 3,839 units were lost to demolition further reducing the apartment stock.

Concluding Citywide Remarks

The current market conditions are best summarized as follows:

- Unemployment rates remain well below national and state averages, and employment growth remains among the highest metro areas in the nation, and is expected by most economists to have strong growth in 2005. Population and job growth are projected to be 3.7 and 7.7 percent, respectively in 2006. Population growth was 4.3 percent in 2005.

- As new residents move to Clark County, demand for housing stays strong. Mortgage interest rates are still very low relative to the 80s and 90s, and growth in personal income has outpaced job growth, leading to a steady increase in demand for housing in the county. The median price of a new home increased 24 percent from August 2004 to August 2005 to $321.550. During the same period, the price of an existing home increased 13 percent to $282,000. Median household incomes have not kept pace with housing price increases.

- The gaming industry continues to advance despite volatility within the local and national economy. Visitor volume and gaming revenue are projected to increase 2.0 and 3.0 percent, respectively. Although tourism remains strong, gaming growth is projected to decline as Indian gaming in California represents additional competition. The opening of the Wynn Las Vegas Resort and South Coast Casino/Hotel, Red Rock Station Casino/Hotel and the Venetian expansion in 2005 are expected to draw additional visitors and gamblers to Las Vegas.

- Much of Las Vegas’ new multifamily demand is anticipated to be in high-rise, luxury condominium market. In the past two years, over ninety high-rise condominium projects have been announced. Many have met with good market acceptance and preconstruction sales have been strong. Most of these projects are being developed on the site of centrally located 1960’s era apartment projects. Many of these condominiums are being sold to out-of-town buyers for use as second and third vacation homes.

•Much of the Las Vegas Valley's new growth is anticipated to follow the 215 Beltway. Many of the new apartments under construction and planned are located in the southwest and northwest region near the 215 Beltway. This is anticipated to continue for the next five years as major employers and retailers develop properties along the Beltway.

In general, it appears the Las Vegas apartment market remains relatively strong, despite the substantial building and increased vacancies that have occurred during the past several years.

Submarket Analysis

Subject Competitive Group

According to REIS 1st Quarter 2006 Apartment Market Analysis, the subject property is located in the University submarket. In 2006, there is only one 20-unit, senior citizen housing project under construction with an estimated completion date of May 2006, in this submarket. This new project, called the Harrison Pines Phase II, is located at 5045 Harrison Drive in Las Vegas. There are 82 apartment complexes containing 14,515 units in this submarket. According to REIS 1st Quarter 2006 Apartment Market Analysis, the average vacancy in the University submarket was 3.1 percent. There are four projects that are indicative of the subject's direct competition, by means of location, and more importantly, similar unit type/size mix. These include the projects included as Rental Comparisons in the Income Capitalization Approach. Specific comparisons are made in the Income Capitalization Approach.

In order to examine the subject property in its marketplace, we must examine the nature of its competition. The following table is a summary of rent levels at competing apartment complexes in the local market. Onsite management considered these projects to represent the subject's direct competition. The results of our survey of competitive projects are presented on the following page.

RENT COMPARABLES

No.	Property Name & Location	Year Built	No. Units	BR/BA	Features	SF	Base Quoted Rent $/Unit	Base Quoted Rent $/SF	Concession	Effective Rent $/Unit	Effective Rent $/SF	Occup.	Utilities, Premiums, Amenities & Comments
1	**Maryland Park**	1962	44	1/1	Walk-in closets	480	$545	$1.14	None	$545	$1.14		No concessions offered
	101 Dumont Blvd.		91	1/1	CF, CAB, SP (2)	740	$610	0.82		$610	0.82		Water, sewer and trash included
	Las Vegas, Nevada 89109				Carports, MINI								Lease terms include 6, 9, and 12 mo.
					Laundry Room (2)								1 mo. rent security deposit
													$150 cleaning fee, $50 application fee
													Similar location
			135			655	$589	$0.90		$589	$0.90	97%	
2	**Parkview Pointe**	1972	30	1/1	CL, Carports, Storage	650	$584	$0.90	None	$584	$0.90		No concessions offered
	3665 Cambridge		30	1/1	SP (2), Playground	650	$575	0.88		$575	0.88		Water, sewer and trash included
	Las vegas, Nevada 89109		66	2/2	BBQ Area, Laundry Room	900	$690	0.77		$690	0.77		12-month lease term
			65	2/2	Dishwasher, Refrig., CF	900	$680	0.76		$680	0.76		$200 Security Deposit
					CAB, PP, MINI								$100 Cleaning Fee, $30 Applic. Fee
													$300 Non-refund. Pet Deposit
													Pets under 25 lbs.
													Similar location
			191			821	$652	$0.79		$652	$0.79	96%	
3	**Rainwalk**	1973	80	1/1	SP (3), J, MINI	750	$655	$0.87	None	$655	$0.87		No concessions offered
	1001 Dumont Blvd.		81	1/1	Laundry Room (7)	800	$765	0.96		$765	0.96		Water, sewer and trash included
	Las Vegas, Nevada 89109		41	2/2.5	WDC, Dishwasher	1,600	$965	0.60		$830	0.52		Lease terms 6 to 12 months
			41	2/2.5	Refrigerator, Walk-in closet	1,400	$830	0.59		$965	0.69		Security deposit $300, Cleaning Fee $150
			31	3/2	FP, PP, CAB, Storage	2,000	$1,000	0.50		$1,000	0.50		Appl. Fee $35
			31	3/2	Courtesy Patrol	2,000	$1,400	0.70		$1,400	0.70		$300 non-refundable pet deposit
					Vaulted Ceilings								$150 non-refundable pet fee
			305			1,219	$860	$0.71		$860	$0.71	85%	Similar location
4	**The Villas @ Desert Pointe**	1973	148	Studio	CL, ER, SP, J	600	$595	$0.99	1 Mo. Free with 12-mo. Lease	$545	$0.91		All typical amenities included
	895 Sierra Vista Drive		41	1/1	Sports Court, Playground	900	$705	0.78		$646	0.72		Lease terms of 3, 6, and 12 months
	Las Vegas, Nevada, 89109		158	2/2	BBQ Area, Laundry Room	1,100	$860	0.78		$788	0.72		Security Deposit $200 to $250
					Dishwasher, Refrigerator								Cleaning Fee $150 to $200
					MINI, CFL, CFM, CAB								$30 Application Fee
					PP, Storage, Carports								Pet deposit $400 ($200 non-refundable)
													Pets aloowed under 25 lbs.
													Similar location
			347			863	$729	$0.84		$729	$0.84	**70%**	
	Comp Set Minimum		**135**			**655**	**$589**	**$0.71**		**$589**	**$0.71**	**70%**	
	Comp Set Maximum		**347**			**1,219**	**$860**	**$0.90**		**$860**	**$0.90**	**97%**	
	Comp Set Average		**245**			**890**	**$707**	**$0.81**		**$708**	**$0.81**	**87%**	

KEY TO AMENITIES			KEY TO FEATURES	
SP-SWIMMING POOL	**CAB**-CABLE TV	**SEC**-SECURITY FENCE	**FP** - FIREPLACE	**WDC** - W/D CONNECTION
CL-CLUBHOUSE/ROOM	**MINI**-MINI BLINDS	**PLAY**-PLAYGROUND/BBQ GRILLS	**TH** - TOWNHOUSE/STUDIO	**WD** - WASHER/DRYER
J-JACUZZI	**PP**-PRIVATE PATIO/BALCONY	**ICE**-ICEMAKERS	**CFM** - CEILING FAN MASTER	**GT** - GARDEN TUB
TC-TENNIS COURTS	**SA**-SMOKE ALARM	**V**-VIDEO LIBRARY	**CFL** - CEILING FAN LIVING	**M** - MICROWAVE
HS-HIGH SPEED WWW	**ER**-EXERCISE ROOM	OTHER		

All of the comparables are located less than 1 mile of the subject property. The occupancy levels ranged from 70 to 97 percent, averaging 87 percent. Based on our conversation with the manager, Rental Comparable 4 is currently undergoing a remodeling phase with 1 building currently vacated, therefore the occupancy is at 70 percent. The owner plans to convert the units into condominiums. Current rental rates average $0.81, ranging from $0.71 to $0.90 per square foot. According to REIS 1st Quarter 2006 Apartment Market Analysis, the average vacancy was 3.1 percent.

The current rental rate for the subject units averaged $0.90 per square foot per month. The subject's rents are in line with rents charged by other competing projects within the local market area, when adjusted upward for an inferior quality of amenities. One of the four comparables surveyed offered rental concessions of a discount off the first month's rent. Most representatives in the market see concessions declining over the next year.

The property manager indicated that the property's tenants contain a mix of residents comprised of lower income young families, elderly, and strip workers. Some residents have been outpriced from the current home market by rising prices.

The subject property contains a total of 14 floor plans consisting of a one-bedroom, one-bathroom model with or without a den, a two-bedroom, two-bathroom model with or without a den, a two bedroom, 1 bathroom model, and a two-story, one-bedroom, townhouse loft units. The townhouse units have an attached 2-car garage. There are no premiums for upstairs-downstairs or poolside locations or views. We have performed our rental analysis based upon the square footage of each unit. The difference in rents for the subject's 510-, 724-, and 768-square foot units in comparison to the submarket, ranges from -$0.33 to $0.14 per square foot per month. The difference in rents for the subject's 928- thru 1,272-square foot units in comparison to the submarket ranges from -$0.25 to $0.12 per square foot per month.

The current owner acquired the subject with a condo conversion and sell out in mind; however, they changed their strategy and decided to operate the complex as apartments. According to the manager, rents were raised at the time of lease renewal. Approximately 80 percent of the units were remodeled reflecting good quality amenities, including cultured marble vanities in master bathrooms, French doors to patios, good quality kitchen appliances, tile floors in bathroom areas etc. The subject's amenities appear to be above the local area market standards, considering the subject's location and age. As a result, the newly remodeled units are being rented out at a higher rate. Due to a tight apartment market, occupancies have remained high despite the rent increases. Current charges for each unit include $250 in security deposit, $35 an application fee, $300 a non-refundable pet deposit, and $30 in a monthly pet fee. Pets under 25 pounds are allowed.

<u>Summary of Competitive Market Survey Key Conclusions</u>

-The subject has an accessible and visible location on a local level, it is situated in a well-established 40- to 50-year old neighborhood, which is undergoing a gentrification redevelopment phase. Many of the neighborhood improvements are at the end of their economic life and were acquired for land value only. The land prices in the subject's neighborhood escalated due to its vicinity to "The Strip". It has above average physical attributes when compared with the competing complexes.

-The amenity package at the subject property is comparable to the majority of Class C apartment complexes in the area.

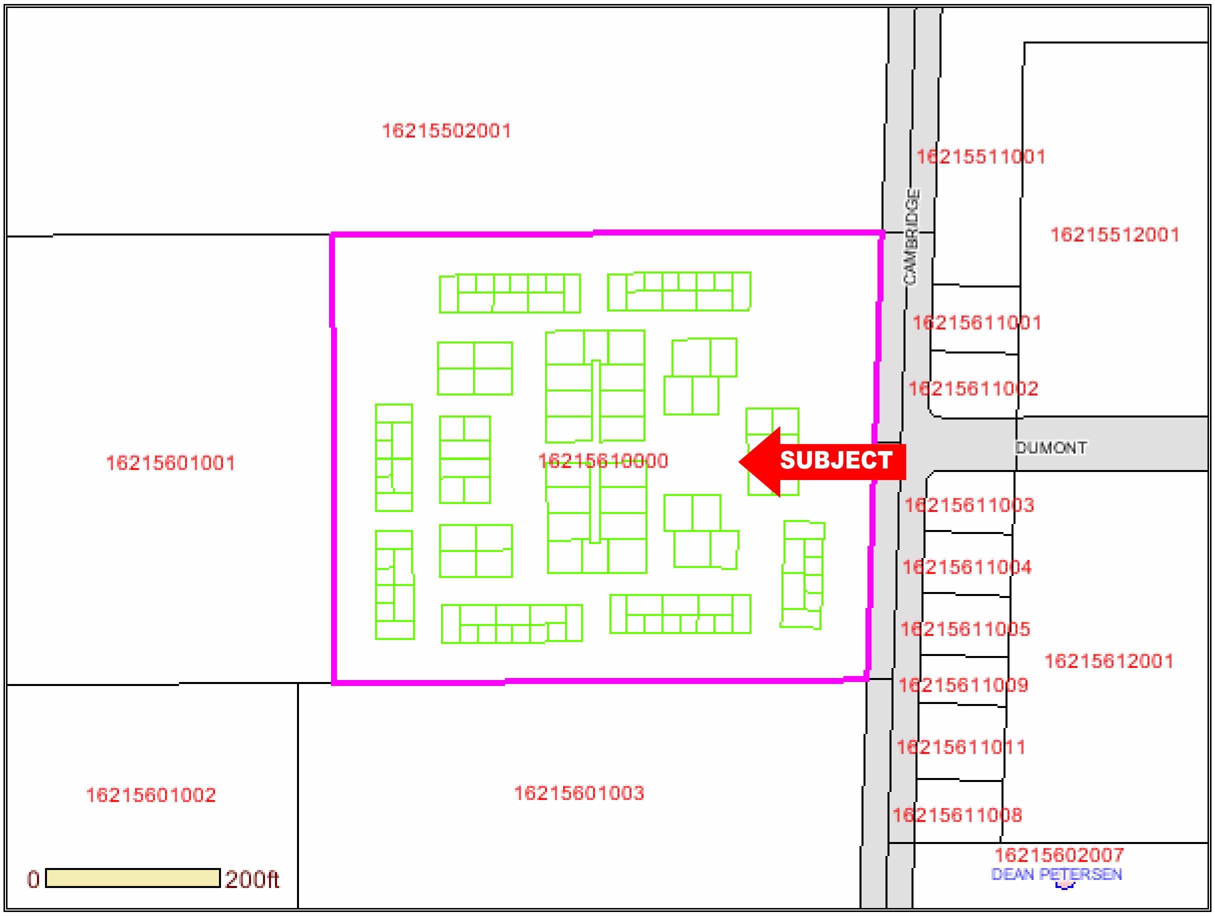
-Submarket occupancy levels are relatively high and minimal new construction is planned.

-Our near-term outlook for the subject and submarket is positive.

Location:	3535 Cambridge Street Las Vegas, Clark County, Nevada 89109 The subject is located one lot south of the southwest corner of Sierra Vista Drive and Cambridge Street, approximately 1/4 mile west of Maryland Parkway.
Shape:	Rectangular-shaped
Topography:	Relatively flat, level at street grade
Land Area:	7.12 net acres 310,147 net square feet
Frontage, Access, Visibility:	The site has average visibility and access with a normal depth to frontage ratio. The subject property has 519 feet of Cambridge Street frontage. Cambridge Street is a one-lane in each direction, asphalt-paved, north/south residential collector street. The closest annual traffic count was located on Swenson Street, 100 feet south of Sierra Vista Drive with a 24-hour traffic count of 19,600 vehicles per day.
Soil Conditions:	We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
Utilities	
Water:	Las Vegas Valley Water District
Sewer:	Clark County Sanitation District
Electricity:	Nevada Power
Gas:	Southwest Gas
Telephone:	Sprint
Site Improvements:	The site improvements include concrete paved parking areas, curbing, signage, landscaping, yard lighting and drainage.
Land Use Restrictions:	According to Chicago Title Report dated December 29, 2005, the subject property is subject to Water rights, reservations, easements and exclusions in patent from the State of Nevada; a utility easement to Las Vegas Valley Water District; ingress/egress easements recorded in Doc. No. 00795 on 4/92; covenants, conditions, and restrictions as set forth in the Doc. No. 01760 recorded on 2/97. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.

Flood Map:	National Flood Insurance Rate Map Community Panel Number 32003C2170E dated September 27, 2002. According to FEMA Floodplain map, the subject property lies in a non-shaded Flood Zone X, which denotes areas lying outside the 100-year floodplain.
Hazardous Substances:	We observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the services of a professional engineer for this purpose.
Overall Functionality:	The subject site is functional for the current intended use.

SITE MAP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CAMBRIDGE
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SUBJECT
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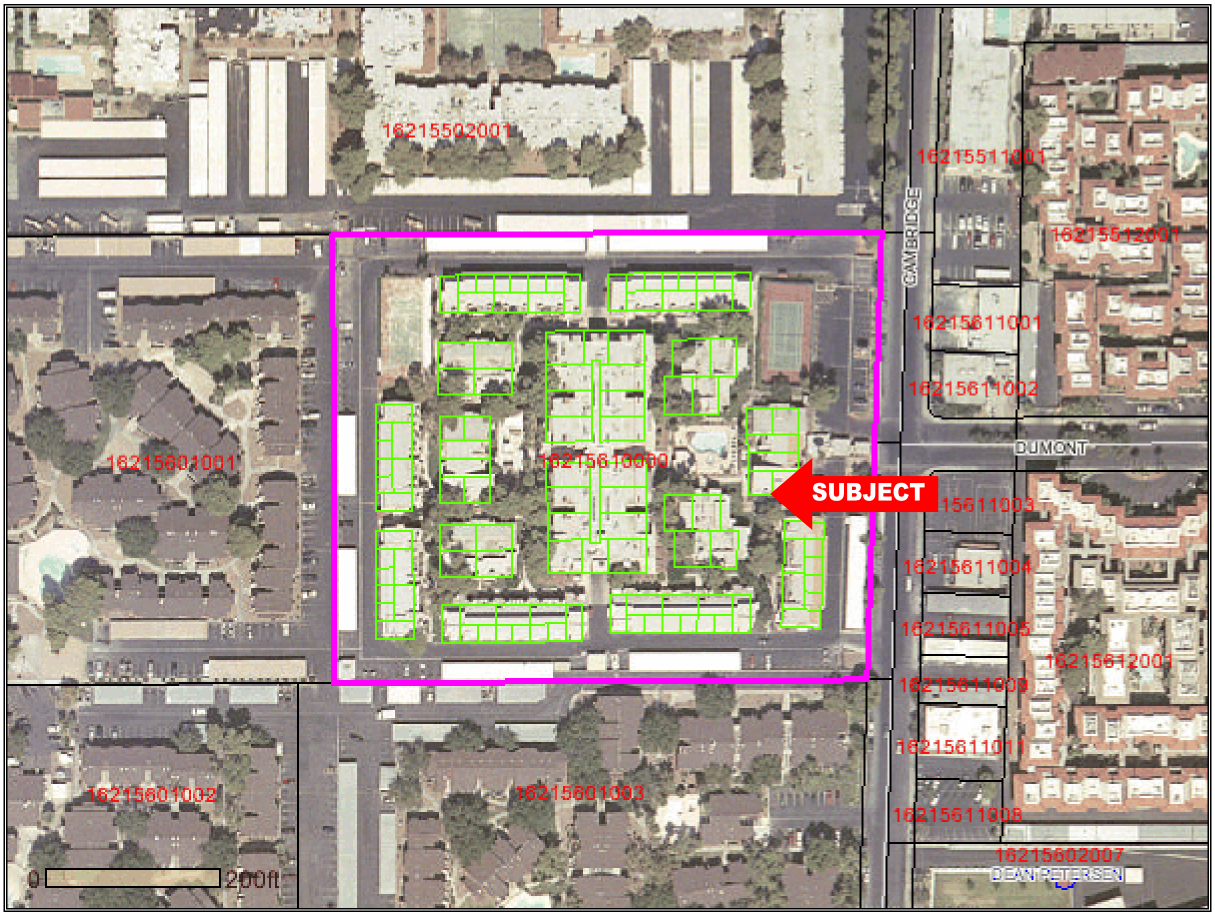
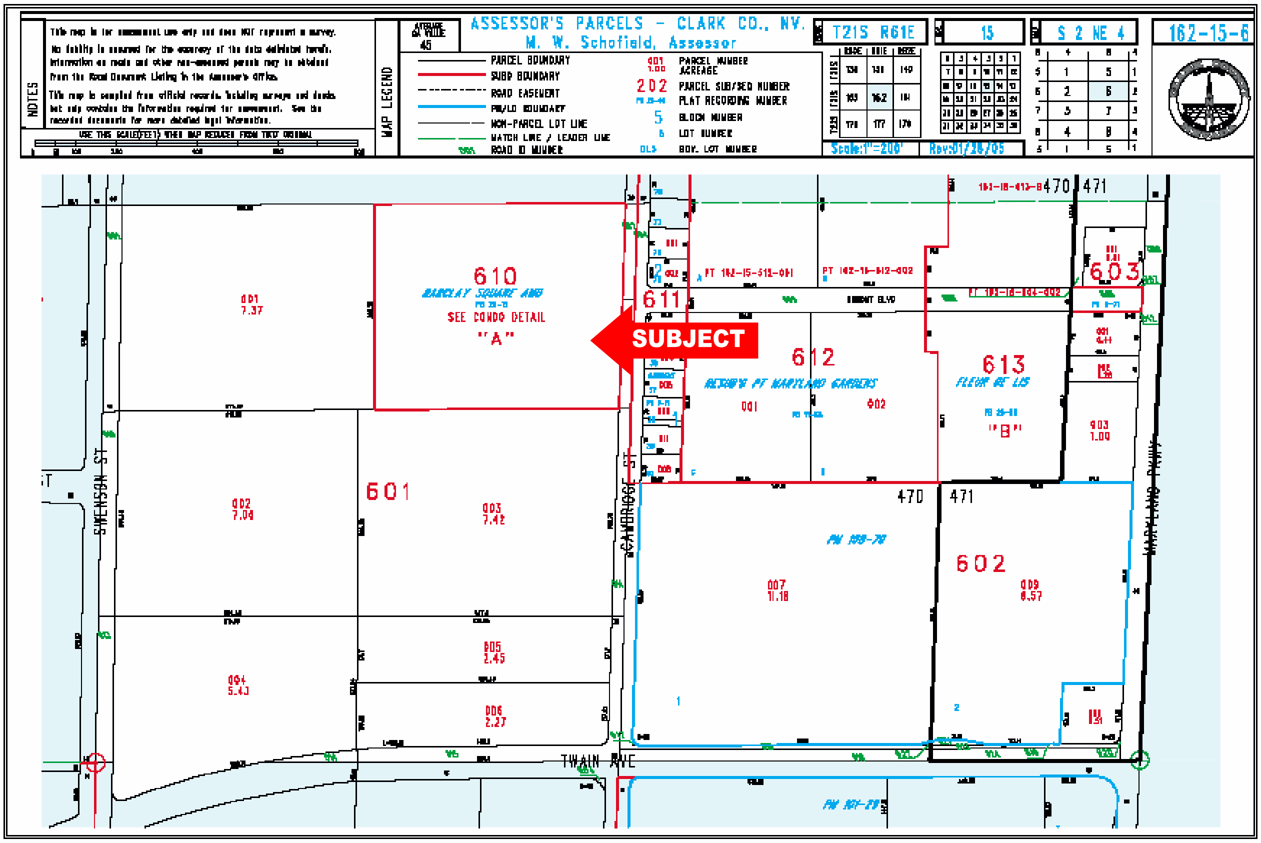
AERIAL MAP



CUSHMAN & WAKEFIELD®

CLARK COUNTY ASSESSOR'S MAP



CUSHMAN & WAKEFIELD®

The following description of improvements is based upon our physical inspection of the improvements along with our discussions with the building manager. The unit mix is as follows.

UNIT MIX

No.	Plan	BR	BA	Features	No. Units	Unit (SF)	NRA (SF)	Units Leased	Actual Occupancy
1	D - Colonia	1	1 1/2		14	1,118	15,652	11	78.6%
2	Earl	1	1		1	510	510	1	100.0%
3	B - Churchill	1	1	2-Car Garages	18	724	13,032	17	94.4%
4	F - Dover	1	1		16	754	12,064	16	100.0%
5	JX - Montice	1+Den	1		6	1,039	6,234	5	83.3%
6	L - Nottingham	1+Den	1		3	1,037	3,111	3	100.0%
7	C - Wilshire	2	1		12	974	11,688	11	91.7%
8	G - Duke	1	1		18	768	13,824	18	100.0%
9	M - Duchess	1	1		4	928	3,712	4	100.0%
10	J - Victoria	2	2		30	1,100	33,000	28	93.3%
11	E - Buckley	2	2		16	1,107	17,712	16	100.0%
12	H - Grant Whitney	2+Den	2		9	1,267	11,403	9	100.0%
13	A - Buckingham	2+Den	2		4	1,272	5,088	4	100.0%
14	GX - Hampshire	2+Loft	2		40	1,065	42,600	34	85.0%
TOTAL/AVERAGE					191	**993**	189,630	177	**92.7%**

General Description

Number of Units:	191
Year Built:	1974
Number of Buildings:	13 two-story, 1 three-story, and 1 one-story sales office building
Number of Stories:	2 to 3
Net Rentable Area:	189,630 square feet
Design and Functionality:	The subject consists of a garden apartment property of wood stud wall construction with stucco exterior and hip style roof with composition shingles. The subject has good overall appeal to prospective apartment tenants.
Amenities:	Tennis courts, a swimming pool, a cabana, a spa, storage rooms, covered parking and 3 gated entries. Approximately 80 percent of the units, which have been remodeled, contain tile floors in the kitchen and bathroom areas, ceiling fans in dining rooms, gas fireplaces, French doors to outside patios, double stainless steel kitchen sinks, microwaves, cultured marble vanities in master bathrooms, vertical blinds, washers/dryers connections area with bi-fold doors, refrigerators, roman tubs in master bathrooms, and attached 2-car garages in the townhouse units. The remaining 20 percent of units, which are in the process of remodeling at turnover, reflect vinyl/carpet flooring, fair quality, formica countertops, electric stoves, no microwave, and fiberglass tubs in master bedrooms.

Construction Detail

Foundation:	Poured concrete slab
Framing:	Wood stud wall construction
Floors:	Upper floors are of wood decking
Exterior Walls:	The exterior facade of the building consists of stucco exterior.
Roof Cover:	Hip-style roof with composition shingles. The previous owner replaced the entire roof in 2005.
Windows:	The windows are single paned with screens.

Mechanical Detail

Heating:	Heat to the subject is supplied either by ground mounted or roof mounted, electric single unit forced air heaters.
Cooling:	The subject is cooled by either ground mounted or roof-mounted package HVAC units. Cooling is distributed to the apartments through an integrated duct network with individual controls. Evaporative coolers are used to cool interior hallways.
Plumbing:	The plumbing system is assumed to be adequate for existing use and in compliance with local law and building codes. The plumbing system is typical of other apartment properties in the area with a combination of PVC, steel, copper and cast iron piping throughout the building.
Electrical Service:	Electricity for the subject is obtained through low voltage power lines. The building features low voltage power with 120/220-volt electric service.
Elevator Service:	There is 1 elevator located in the three-story building
Fire Protection:	The building is fully sprinklered. Each apartment has electric smoke detectors in compliance with local code.
Security:	The subject property is a gated community.

Interior Detail

Layout:	The subject property is a 14-building garden apartment community of which 1 building is a three-story structure with 88 underground parking spaces. There are 191 units of which 99 are 2/2 plus a den, 12 are 2/1, 9 are 1/1 plus a den, and 71 are 1/1. There are 14 different floor plans ranging from 510 to 1,272 square feet in size.
Floor Covering:	The units which were remodeled feature carpet in living, dining and bedroom areas and 1-foot ceramic tile in the kitchen and bathroom areas. The older original units feature carpet/vinyl tile floors.
Walls:	Painted and textured gypsum board.
Ceilings:	Painted and textured gypsum board.
Bathrooms:	The subject property features 14 different floor plans. Depending on the unit type, each apartment is equipped with one or two full bathrooms. Full bathrooms consist of a shower/ roman tub kit with wall mounted showerhead, toilet and sink and ceramic tile floor covering, and a combination wall papered gypsum board walls. Units that have not been remodeled contain fiberglass tubs and vinyl tile floors.

Site Improvements

Parking:	248 asphalt paved parking spaces plus 36 garages and 88 underground parking spaces. This is a typical parking ratio of 1.90 per unit. Approximately 50 percent, or 18 garages, are attached to townhouse units and included in their rent. The remaining 18 garages are charged separately. The 372 total spaces provided exceed the County's requirement of one space per bedroom (304).
Onsite Landscaping:	A variety of trees, shrubbery and grass.
Other:	Concrete curbs and walkways.

Summary

Condition:	The subject improvements are in average condition given its competitive position. There are currently no “downed” or unleasable units. Presented on the following pages are floor plans for the subject apartments. A copy of the site plan is presented in the Addendum. The property has been well maintained and managed by Stout Management and provides a good appearance relative to competing properties within its submarket. We did not inspect the roofs or make a detailed inspection of the mechanical systems. The appraisers, however, are not qualified to render an opinion as to the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed about the adequacy and condition of mechanical systems.
Quality:	The overall quality is good and is consistent with the comparables in the micro-market.
Layout & Functional Plan:	Average
Year Built:	1974
Effective Age:	23 years
Expected Economic Life:	50 years
Remaining Economic Life:	27 years

Americans With Disabilities Act

The Americans With Disabilities Act (ADA) became effective January 26, 1992. We have not made, nor are we qualified by training to make, a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey and a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have not been provided with the results of a survey, we did not analyze the results of possible non-compliance.

Hazardous Substances

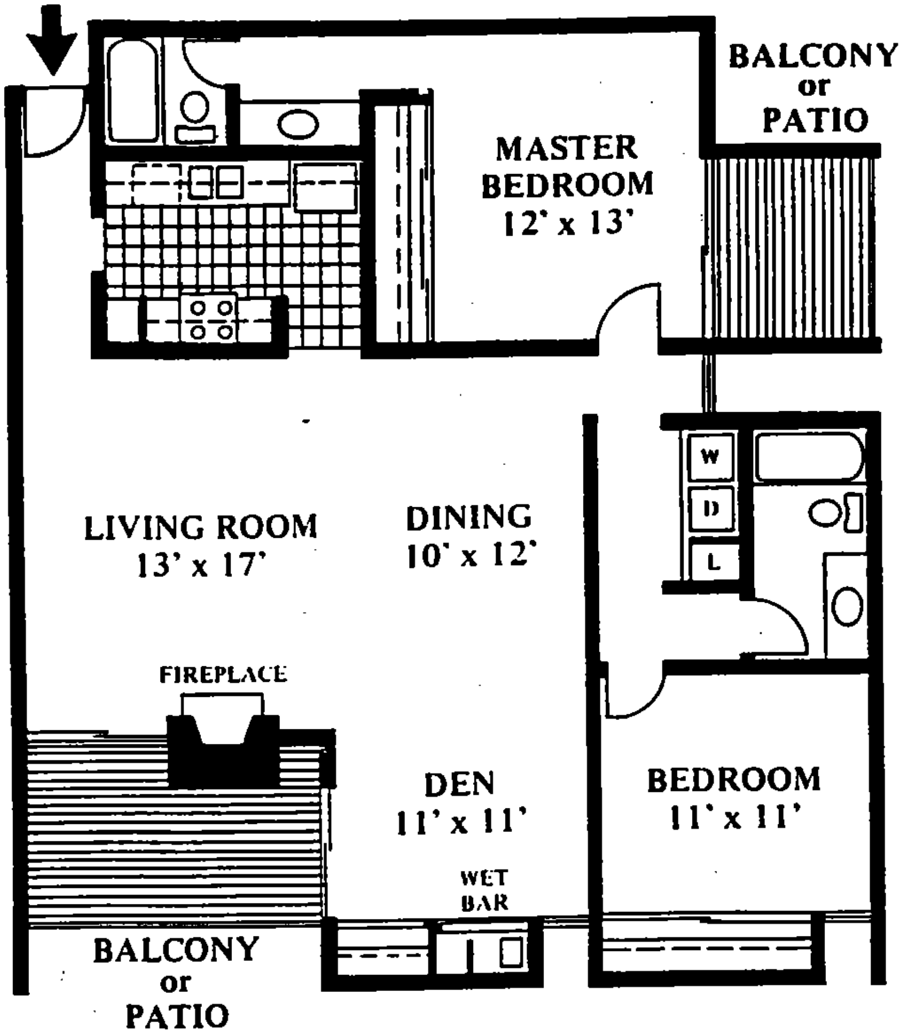
We are not aware of any potentially hazardous materials (such as formaldehyde foam insulation, asbestos insulation, radon gas emitting materials, or other potentially hazardous materials), which may have been used in the construction of the improvements. However, we are not qualified to detect such materials and urge the client to employ an expert in the field to determine if such hazardous materials are thought to exist.

The Whitney

Two Bedrooms and Den, Two Baths

1,267 sq. ft.

$1000



- Fireplace
- Roman Tub
- 2 Balconies or Patios
- Wet Bar
- Underground Parking
- Intercom Security System
- 2 Full Baths
- Washer and Dryer Area

Barclay Square Floor Plans

We offer a variety of floor plans to suit your lifestyle.

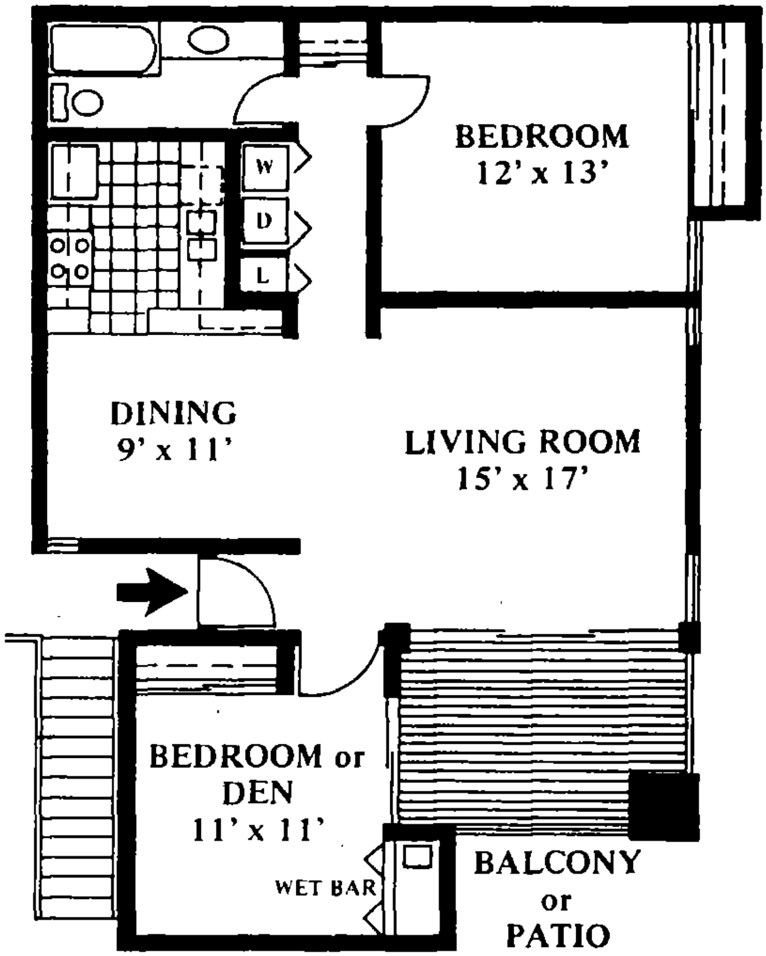
(L

The Wilshire

$840

Two Bedrooms or One Bedroom & Den, One Bath

974 sq. ft.



- Wet Bar
- Den or Second Bedroom
- Large Balcony or Patio
- Some with Cathedral Ceilings
- Washer and Dryer Area

Barclay Square
Floor Plans

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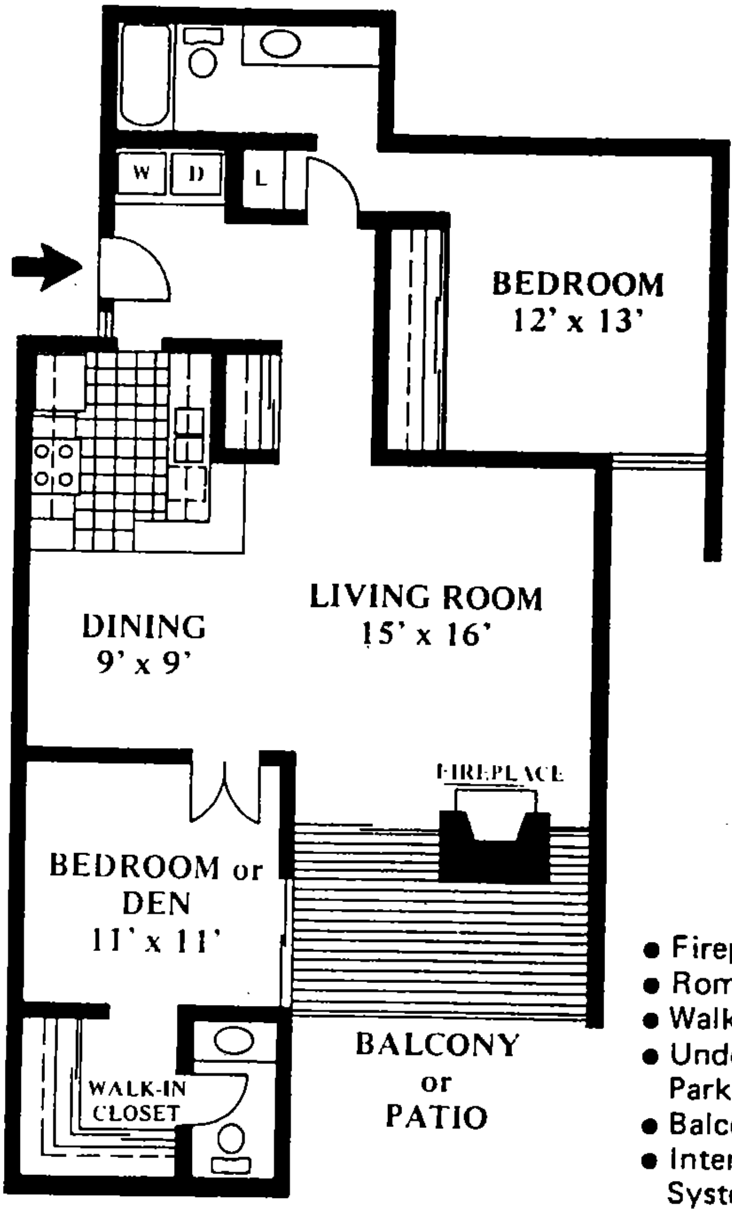
The Victoria

$ 870

Two Bedrooms, One and One-Half Baths

1,100 sq. ft.



- Fireplace
- Roman Tub
- Walk-in Closet
- Underground Parking
- Balcony
- Intercom Security System
- Washer and Dryer Area

Barclay Square Floor Plans

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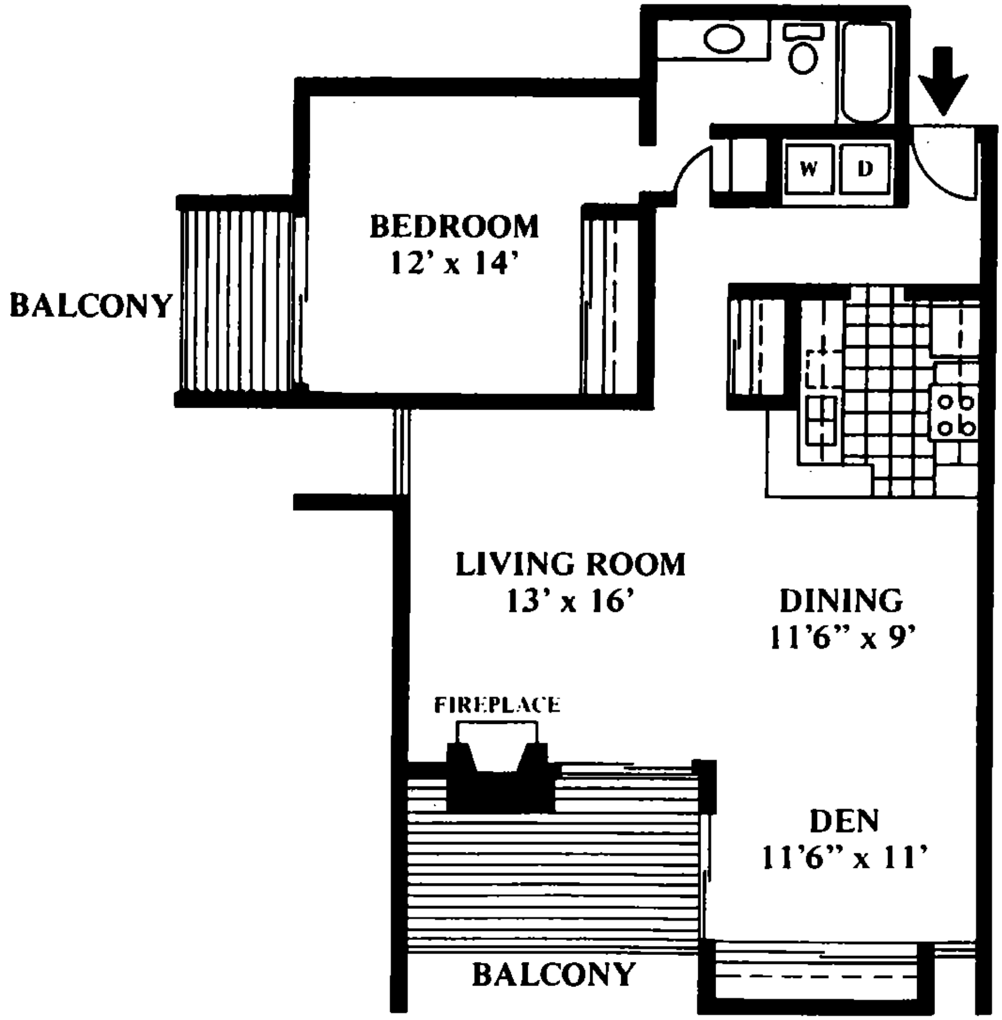
The Nottingham

$825

One Bedroom and Den, One Bath

1,037 sq. ft.



- Fireplace
- Underground Parking
- Balcony or Patio
- Intercom Security System
- Washer and Dryer Area

Barclay Square Floor Plans

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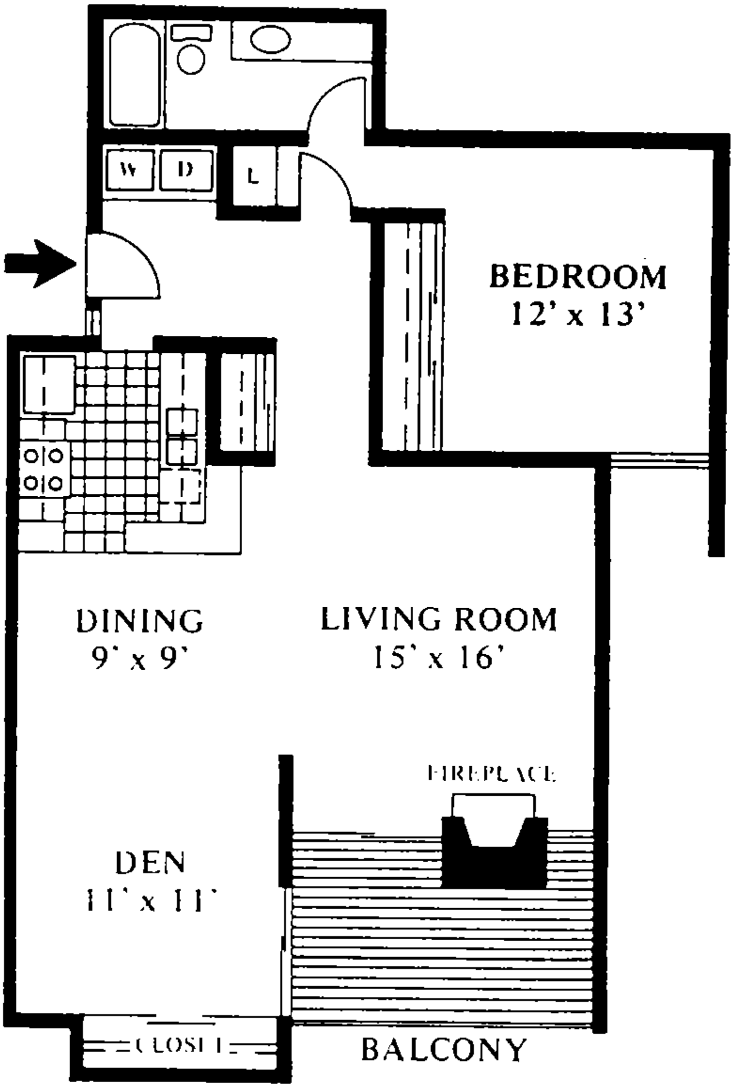
The Monticello

One Bedroom and Den, One Bath

1,039 sq. ft.

$ 825



- Fireplace
- Roman Tub
- Balcony
- Underground Parking
- Intercom Security System
- Washer and Dryer Area

Barclay Square Floor Plans

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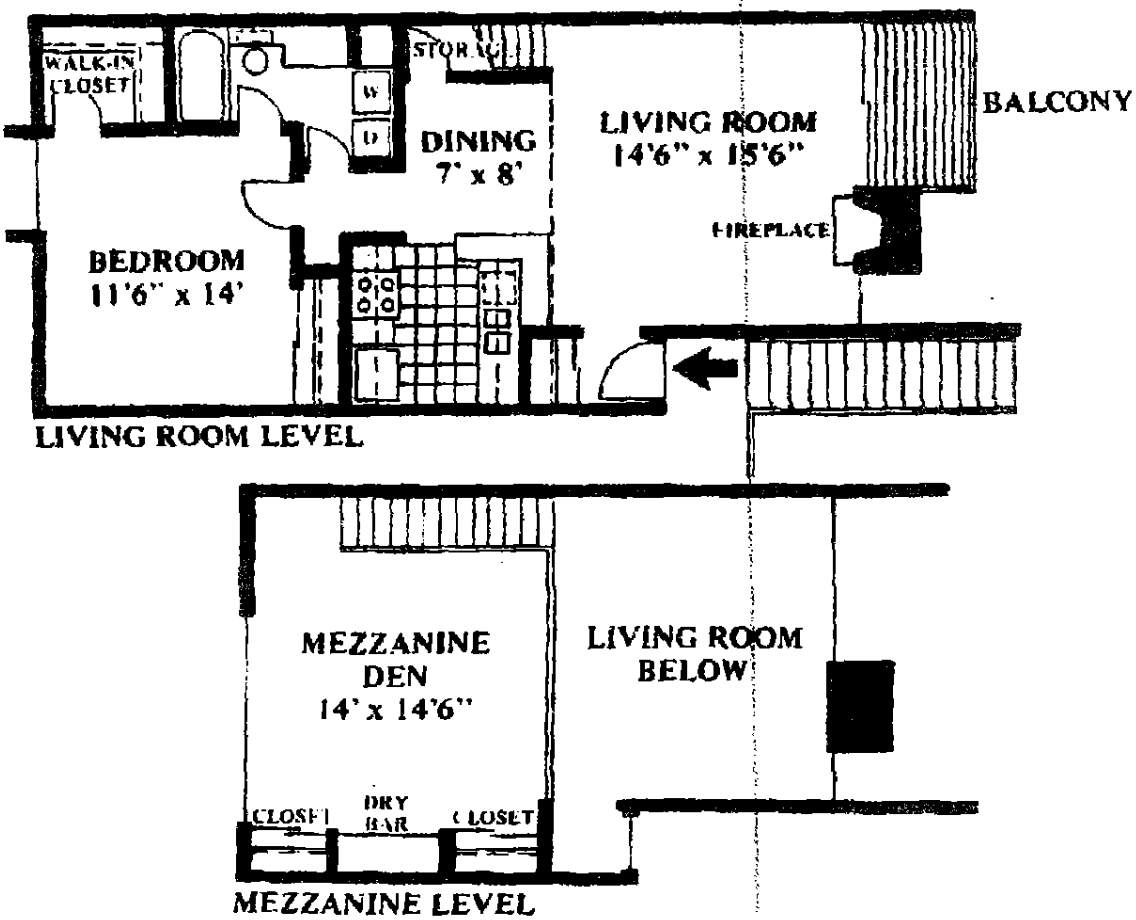
(G

$850

The Hampshire

One Bedroom and Mezzanine Bedroom Den, One Bath

1,065 sq. ft.



- Fireplace
- Balcony
- Walk-in Closet
- Cathedral Ceiling
- Dry Bar
- Washer and Dryer Area

Barclay Square
Floor Plans

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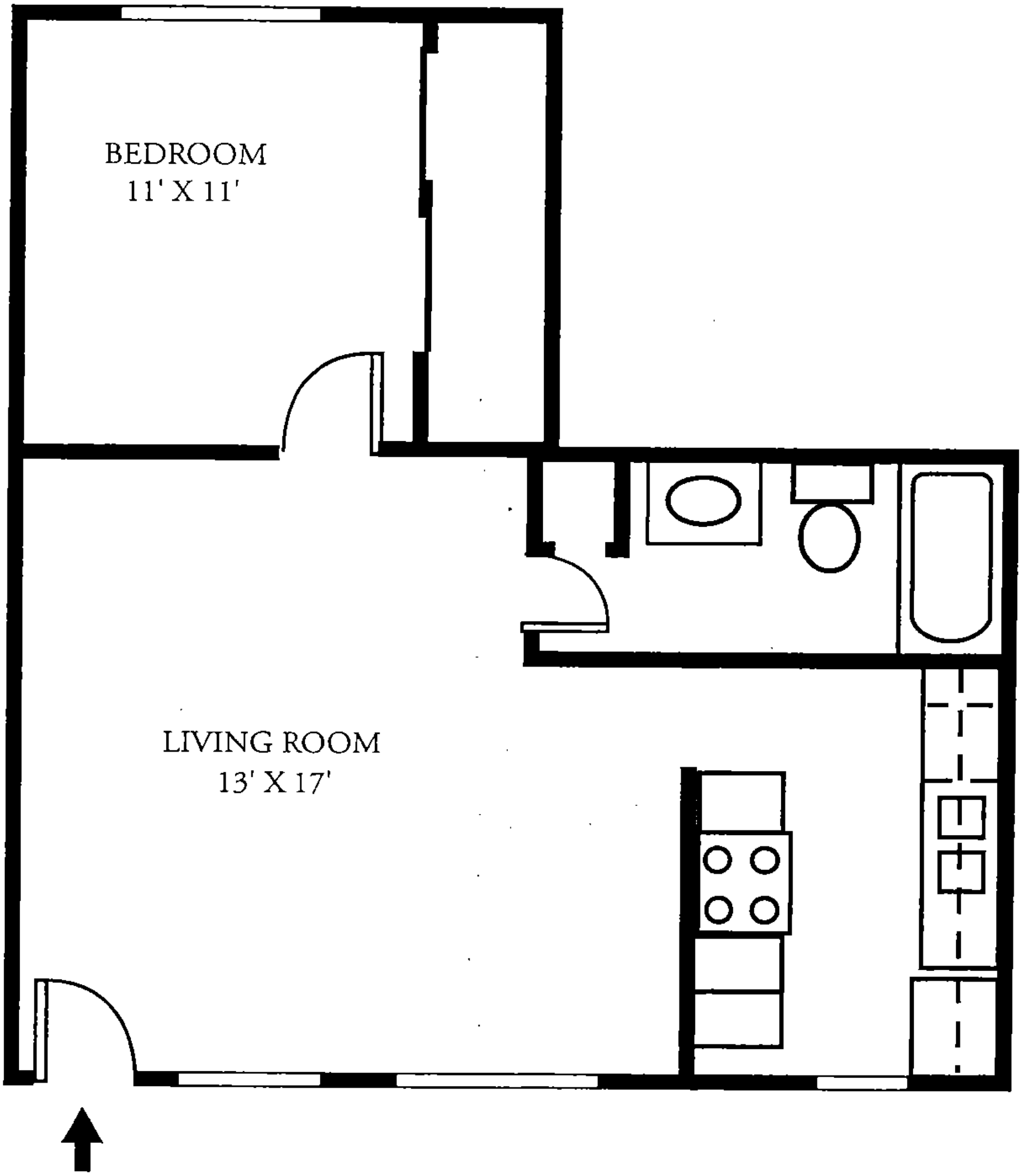
The Earl

$650 only 1

ONE Bedroom and One Bath

510 sq.ft.



Barclay Square Floor Plans

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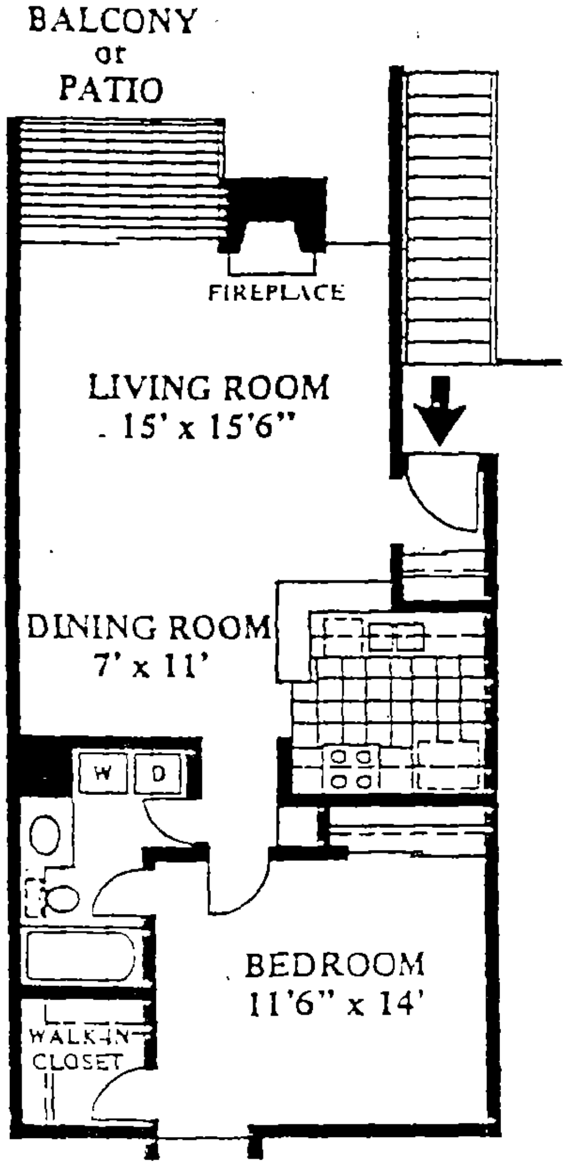
The Duke

$715

One Bedroom and One Bath

768 sq. ft.



- Fireplace
- Balcony or Patio
- Large Closets
- Washer and Dryer Area

Barclay Square Floor Plans

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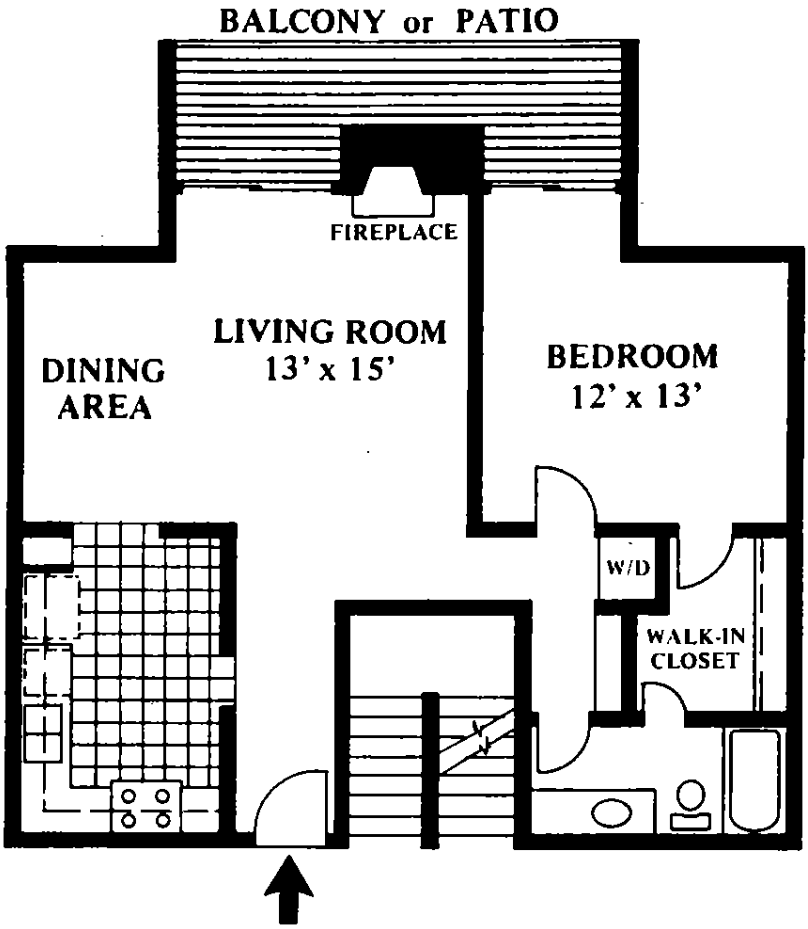
The Duchess

$800

One Bedroom and One Bath

928 sq. ft.



- Large Balcony or Patio
- Fireplace
- Large Kitchen/Breakfast Area
- Roman Tub
- Walk-in Closet
- Underground Parking
- Balcony or Patio
- Washer and Dryer Area

Barclay Square
Floor Plans

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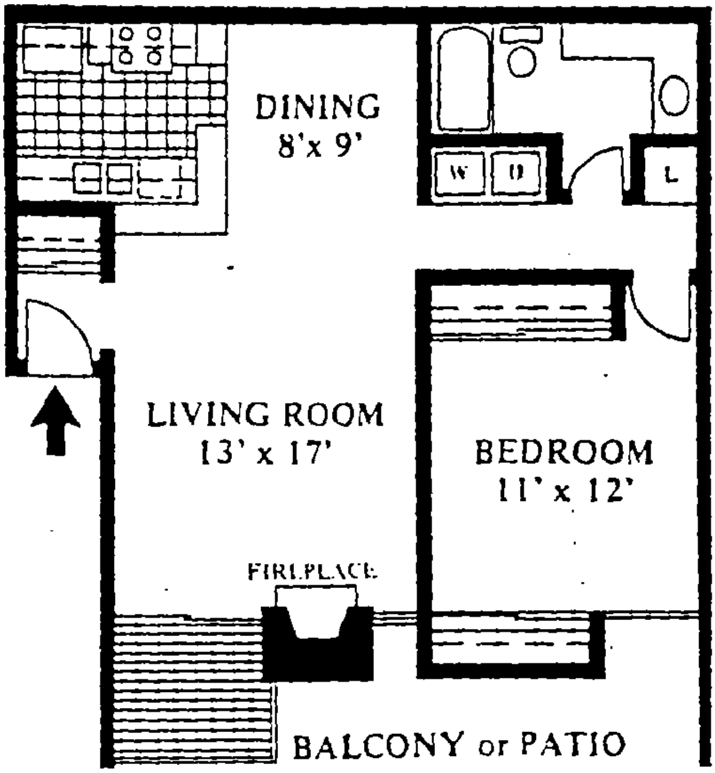
"The Dover"

One Bedroom and One Bath

754 sq. ft.

$715



- Fireplace
- Balcony or Patio
- Some with Cathedral Ceilings
- Washer and Dryer Area

Barclay Square
Floor Plans

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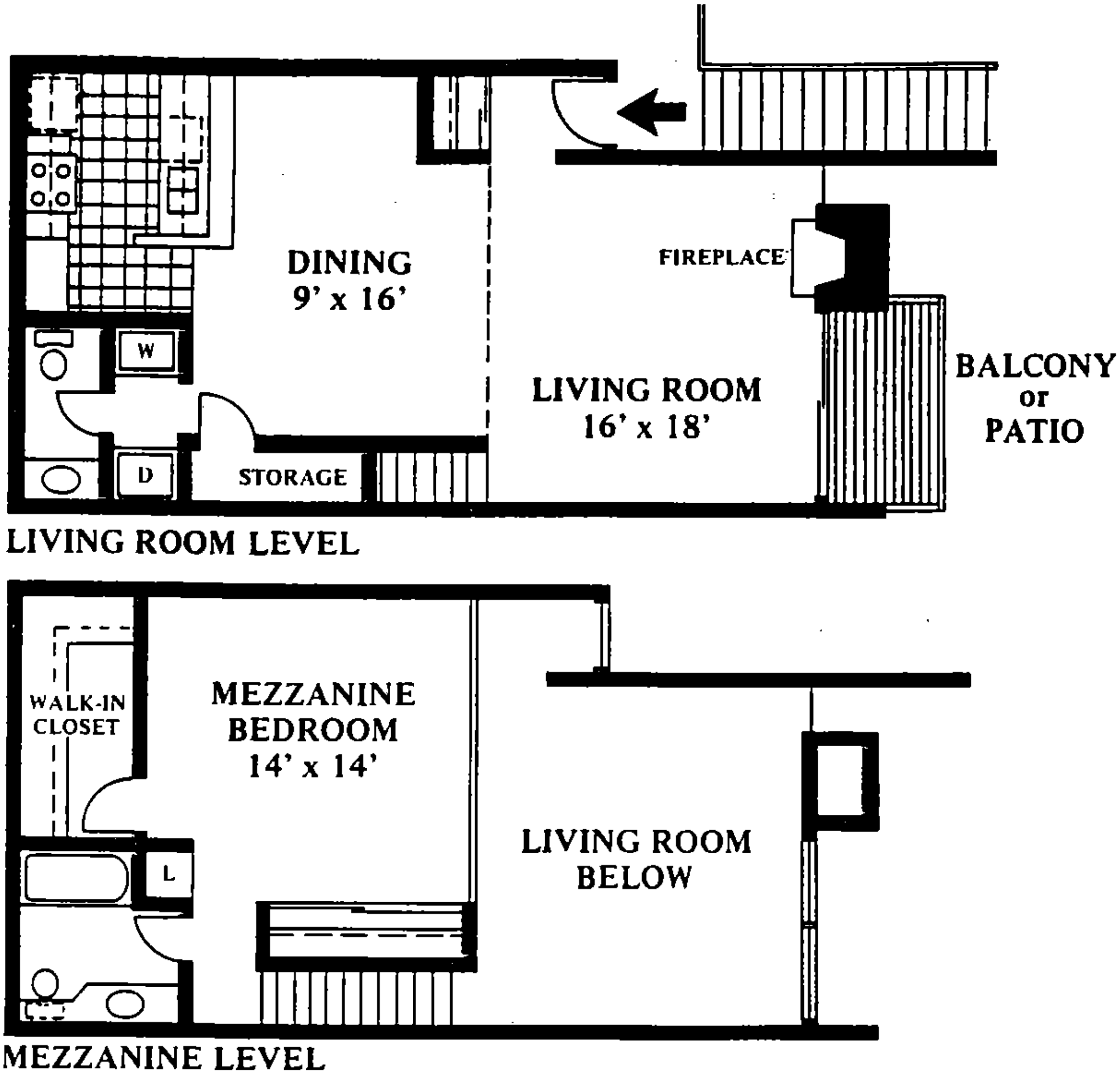
The Colonial

$800

One Bedroom Mezzanine, One and One-Half Baths

Cathedral Ceilings **1,118 sq. ft.**



- Fireplace
- Storage under stairs
- Cathedral Ceilings
- Walk-in Closet
- Washer and Dryer Area
- Balcony or Patio

Barclay Square Floor Plans

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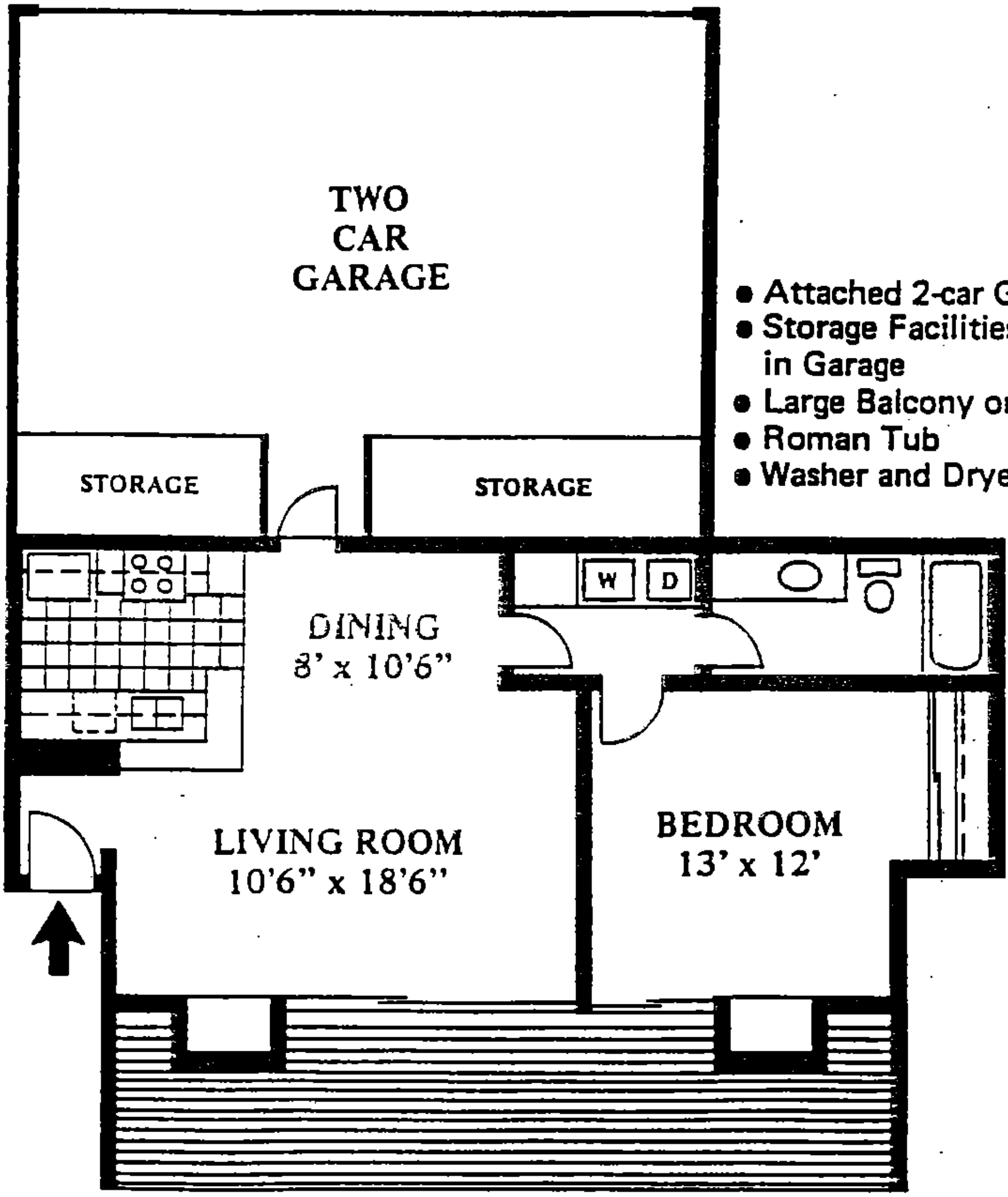
The Churchill

$1780

One Bedroom and One Bath

724 sq. ft.



- Attached 2-car Garage
- Storage Facilities in Garage
- Large Balcony or Patio
- Roman Tub
- Washer and Dryer Area

Barclay Square Floor Plans

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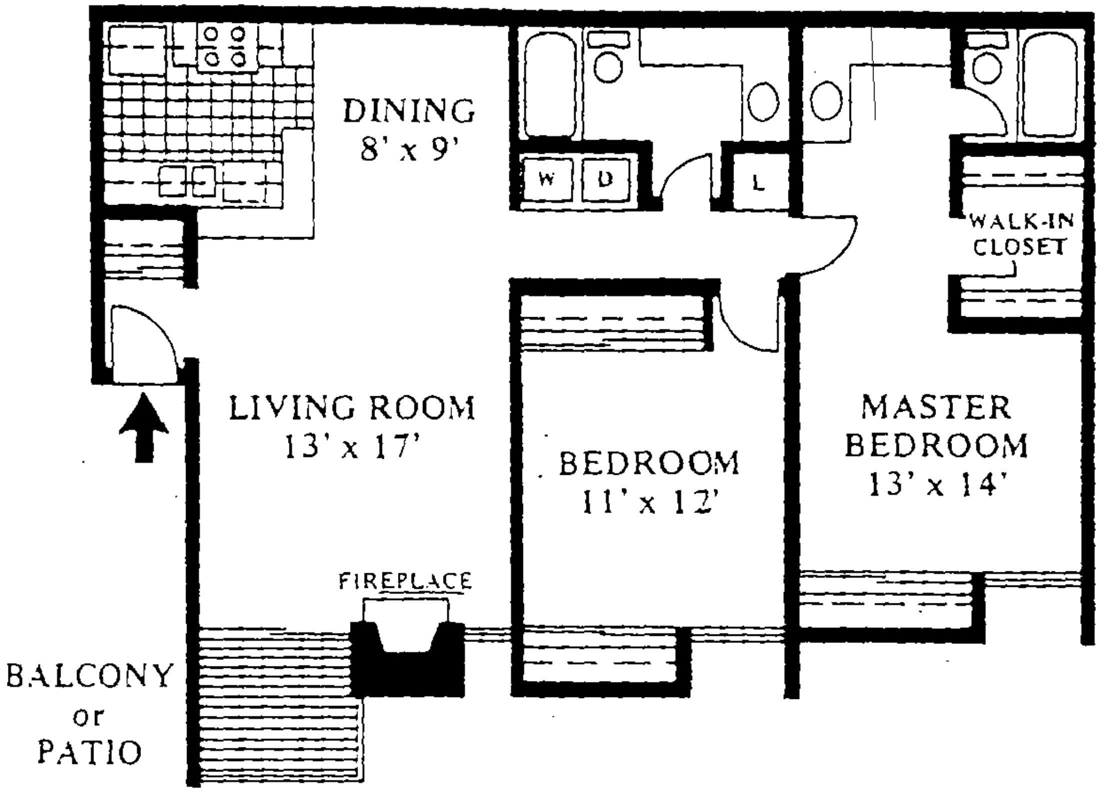
The Buckley

Two Bedrooms and Two Baths
1,107 sq. ft.

860



- Fireplace
- Roman Tub
- Walk-in Closet

- Balcony

- Some with Cathedral Ceilings
- Washer and Dryer Area

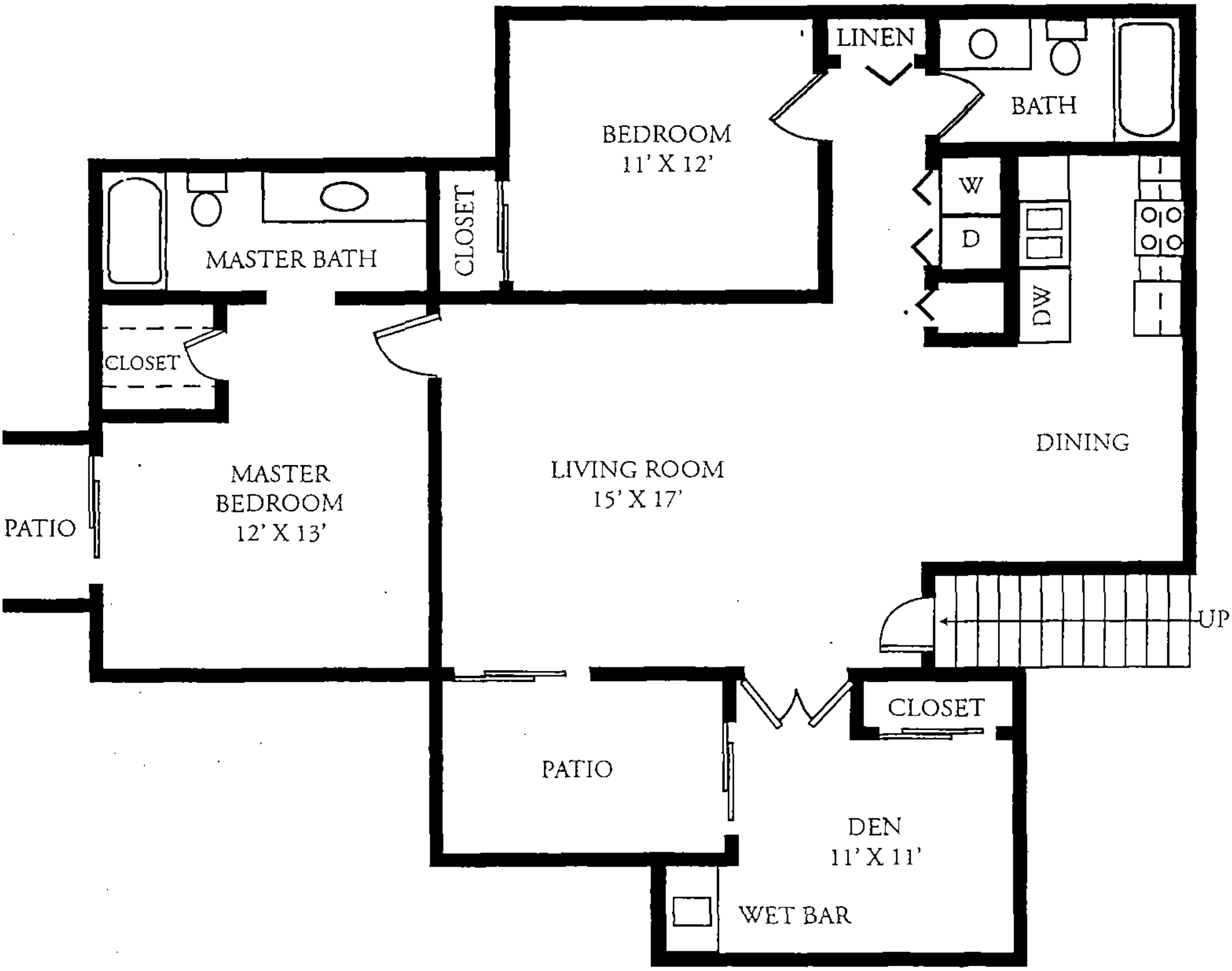
Barclay Square
Floor Plans

e offer a variety of floor plans to suit your lifestyle

The Buckingham

Two Bedrooms and Two Bath/Den 8/1/00

1,272 sq.ft.



- Den or Third Bedroom
- Two Patios
- 2 Full Baths
- Washer & Dryer Area
- Wet Bar

Barclay Square Floor Plans

We offer a variety of floor plans to suit your lifestyle

Taxes are levied against all real property in this locale for the purpose of providing funding for the various municipalities. The amount of ad valorem taxes is determined by the current assessed value for the property in conjunction with the total combined tax rate for the municipalities. The property is subject to the taxing jurisdiction of Clark County. The assessors' parcel identification number is 162-15-610-001.

2006 PROPERTY TAX DATA

	Total 2006 Assessment
Assessor's Parcel Number	**162-15-610-000**
Assessor's Market Value	
Land	$665,000
Improvements	2,110,682
Personal Property	24,838
Assessor's Market Value:	$2,800,520
Equalization/Assessment Ratio	100%
Assessed Value	$2,800,520
Assessed Value per Unit	$14,662
Assessed Value per SqFt	$14.77
Tax Rate	
Total Tax Rate	2.93%
Total Property Taxes	$82,052
Less Cap Reduction	$4,295
Net Taxes	$77,757
Property Taxes per Unit	$407
Property Taxes per SqFt	$0.41

The subject property is located in Tax District 470. According to the Clark County Treasurer, the property taxes are current. The last payment was posted on March 6, 2006 in the total amount of $19,439.32. The subject property’s 2006-2007 assessed value of $3,601,373 or $18,855 per unit results in an estimated tax liability of $105,516 annually utilizing 2.9299 percent tax rates. Subtracting the cap reduction for the 2006/2007 assessment of $21,539 results in an indicated 2006-2007 property tax liability of $83,978, or $440 per unit.

Properties are reassessed in Clark County on annual basis. Property taxes are based upon an assessed value of 35% of taxable land and building value. Real property taxes are paid in Nevada on a quarterly basis. Notices of assessed values for the following year are issued on December 15th. The proposed 2005-2006 assessment reflects the Assessor’s recognition that land values have increased substantially in the past year. In April 2005, the Nevada legislature approved caps on future assessment increases at 8% for commercial properties and 3% for residential and low-income housing.

Tax Comparisons

In order to determine if the taxes on the property are reasonable, we have examined the actual tax burdens of similar properties in the market. They are illustrated in the following table.

PROPERTY TAX COMPARABLES								
Building Name & Location	**Total Assessed Value**	**Tax Year**	**Year Built**	**Net Rentable Area**	**Assessed Value Per SF**	**Units**	**Assessed Value Per Unit**
Sonterra	$4,409,427	2006	1975	282,500	$15.61	350	$12,598
Elmwood Villas	$2,292,014	2006	1986	139,072	$16.48	158	$14,506
Wagon Trails	$2,972,954	2006	1983	156,917	$18.95	224	$13,272
Sahara Palms Apart. Homes	$4,130,595	2006	1979	253,275	$16.31	312	$13,239
Low	$2,292,014	1986	1975	139,072	$15.61	158	$12,598
High	$4,409,427	2006	1986	282,500	$18.95	350	$14,506
Average	$3,451,248	2002	1981	207,941	$16.84	261	$13,404
Subject Property	$2,800,520	2006	1974	189,630	$14.77	191	$14,662

The subject's assessment of $14,662 per unit appears to be within 1 percent above the upper range of the levels indicated by the comparables. Therefore, we project a Year 1 tax liability of $77,757 or $407 per unit. Based upon historical trends, we have assumed taxes will increase 3.00 percent per annum over the projection period.

Parcel 162-15-610-001 is zoned H-1, Limited Resort and Apartment by Clark County. On January 6, 2005, the Clark County Commission approved the Mixed Use District (MUD) Overlay Ordinance. This ordinance is designed to guide the development of mixed-use projects, including high-rise developments. The MUD-1 identifies four designated zones for future high-density corridors including The Strip. The ordinance establishes base heights and densities for the four zones. Mixed-use projects allow a blend of residential, commercial, and recreational development within designed areas. The County created the overlay zone after being inundated with rezoning applications for mixed-use and high-rise projects. It is not located on MUD maps.

Permitted uses within this Limited Resort and Apartment district include hotels, apartments, retail, adult entertainment, and automobile, truck, airplane, and motorcycle sales and repair lots. This H-1 use would permit densities for the proposed Las Vegas Junction project. In order to achieve a development height of greater than 100 feet, a special use permit would also be required.

This hotel district is intended to permit development of gaming enterprises, compatible commercial, mixed commercial, and residential uses and to prohibit development of incompatible uses that are detrimental to gaming. In order to having gaming use, within this district, a special use permit must be submitted and approved as a gaming enterprises district. All gaming enterprise districts shall not be located within 500 feet of residential development or 1,500 feet of a school or church.

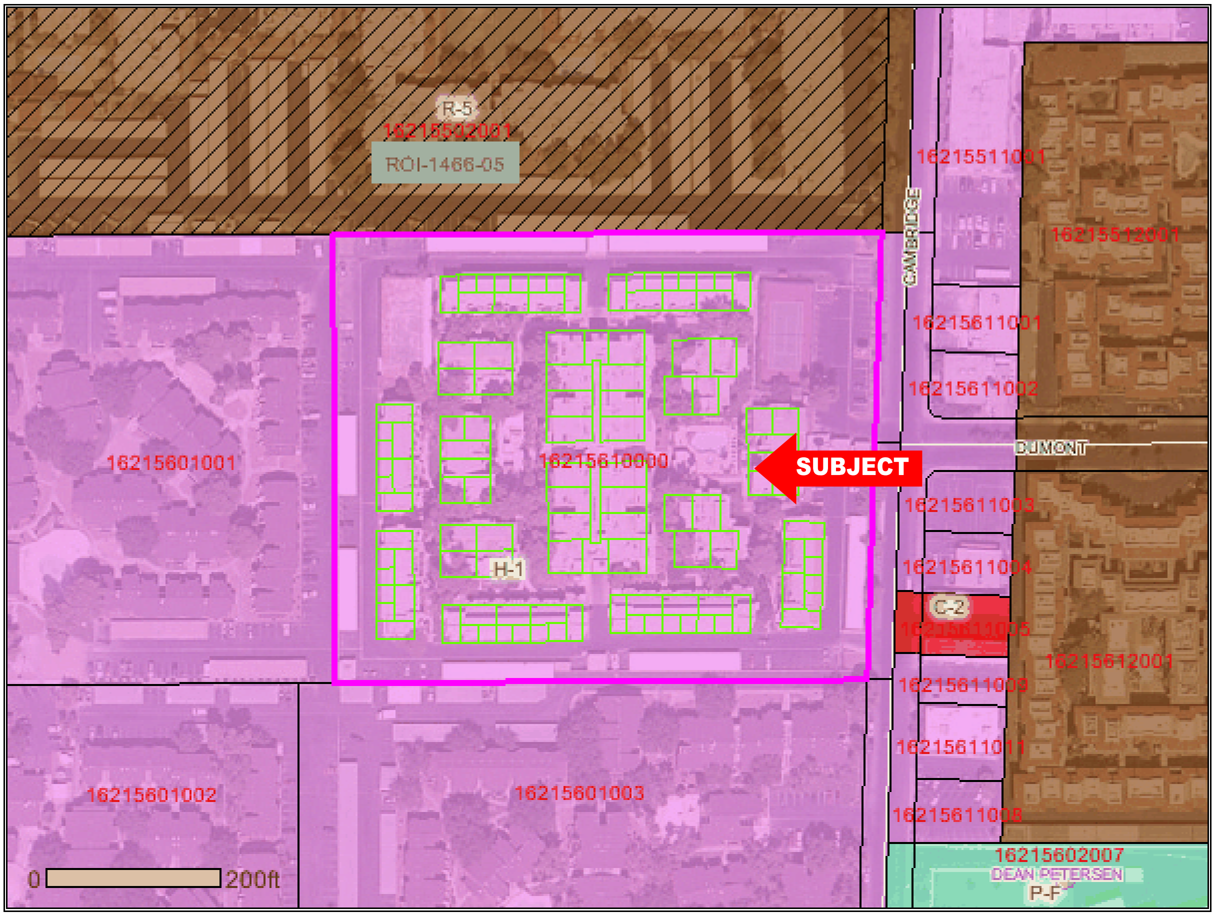
H-1 ZONING REGULATIONS

Dwelling Unit Density per Gross Acre:	50
Maximum Building Height:	100 feet, Buildings over 100 feet are permitted with a special use permit
Minimum Yard Setbacks	
Front:	10 feet
Rear:	10 feet
Side:	10 feet

We are not experts in the interpretation of complex zoning ordinances but the property’s current use appears to be a conforming use based on our review of public information. The determination of compliance is beyond the scope of a real estate appraisal.

We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist, however, is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or title company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist.

ZONING MAP


R-5
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ROI-1466-05
16215511001
16215512001
CAMBRIDGE
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16215611002
DUMONT
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16215610000
SUBJECT
16215611003
16215611004
H-1
C-2
16215611005
16215612001
16215611009
16215611011
16215601002
16215601003
16215611008
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200ft

Definition Of Highest And Best Use

According to *The Dictionary of Real Estate Appraisal*, Fourth Edition (2002), a publication of the Appraisal Institute, the highest and best use is defined as:

> The reasonably probable and legal use of vacant land or an improved property, which 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 profitability.

Highest And Best Use Criteria

We evaluated the site's highest and best use both as currently improved and as if vacant. In both cases, the property's highest and best use must meet four criteria described above.

Legally Permissible

The first test concerns permitted uses. According to our understanding of the zoning ordinance, noted earlier in this report, the site may legally be improved with structures that accommodate residential and retail uses. Aside from the site's zoning and regulations, we are not aware of any legal restrictions that limit the potential uses of the subject.

Physically Possible

The second test is what is physically possible. As discussed in the "Property Description," the site's size, soil, topography, etc. do not physically limit its use. The subject site is of adequate shape and size to accommodate almost all urban and suburban/urban uses.

Financial Feasibility and Maximal Productivity

The third and fourth tests are, respectively, what is feasible and what will produce the highest net return. After analyzing the physically possible and legally permissible uses of the property, the highest and best use must be considered in light of financial feasibility and maximum productivity. For a potential use to be seriously considered, it must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible.

Highest and Best Use of Site As Though Vacant

Considering the subject site's size, configuration and topography, location among other apartment properties and state of the local apartment market, it is our opinion that the Highest and Best Use of the subject site as though vacant is investment property development to the highest density possible.

Highest and Best Use of Property As Improved

According to the Dictionary of Real Estate Appraisal, highest and best use of the property as improved is defined as:

> 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.

It is our opinion that the existing complex adds value to the site as if vacant, and rent levels of existing leases encumbering the subject property would dictate a continuation of the current use. Therefore, it is our opinion that the Highest and Best Use of the subject property as improved is as it is currently employed.

Methodology

There are three generally accepted approaches available in developing an opinion of value: the Cost, Sales Comparison and Income Capitalization approaches. We have considered and analyzed each in this appraisal to develop an opinion of the market value of the subject property, because this is a complete appraisal. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. Each approach is discussed below, and applicability to the subject property is briefly addressed in the following summary.

Land Value

Developing an opinion of land value is typically accomplished via the Sales Comparison Approach by analyzing sites of comparable utility adjusted for differences, to indicate a value for the subject parcel. Valuation is typically accomplished using a unit of comparison such as price per square foot or acre. Adjustments are applied to the units of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive a total value.

The reliability of this approach is dependent upon (a) the availability of comparable sales data; (b) the verification of the sales data; (c) the degree of comparability; (d) the absence of non-typical conditions affecting the sales price.

Cost Approach

The Cost Approach is based upon the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements, which represent the highest and best use of the land; or when relatively unique or specialized improvements are located on the site, for which there exist few sales or leases of comparable properties.

In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciating them to reflect value loss from physical, functional and external causes. Land value, entrepreneurial profit and depreciated improvement costs are then added for a total value.

Sales Comparison Approach

The Sales Comparison Approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject property. Valuation is typically accomplished using a unit of comparison such as price per square foot, effective gross income multiplier or net income multiplier. Adjustments are applied to the units of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive a total value.

The reliability of this approach is dependent upon (a) the availability of comparable sales data; (b) the verification of the sales data; (c) the degree of comparability; (d) the absence of non-typical conditions affecting the sales price.

Income Capitalization Approach

This approach first determines the income-producing capacity of a property by utilizing contract rents on leases in place and by estimating market rent from rental activity at competing properties. Deductions then are made for vacancy and collection loss and operating expenses. The resulting net operating income is capitalized at an overall capitalization rate to derive an opinion of value. The capitalization rate represents the relationship between net operating income and value.

Related to the Direct Capitalization Method is the Discounted Cash Flow Method. In this method, periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments.

The reliability of the Income Capitalization Approach depends upon whether investors actively purchase the subject property type for income potential, as well as the quality and quantity of available income and expense data from comparable investments.

Summary

This appraisal employs all three typical approaches to value: the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that due to the age and condition of the subject property, only the Sales and Income Approaches would be considered meaningful and applicable in developing a credible value conclusion.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

We used the Sales Comparison Approach to develop an opinion of land value. In this method, we analyzed prices buyers have recently paid for similar sites in the market, as well as examined current offerings. In making comparisons, we adjusted the sale prices for differences between this site and the comparable sites. If the comparable was superior to the subject, a downward adjustment was made to the comparable sale. If inferior, an upward adjustment was made. We present on the following pages a summary of pertinent details of sites recently sold that we compared to the subject site.

In the valuation of the subject site's fee simple interest, the Sales Comparison Approach has been used to establish prices being paid for comparably zoned land. Since the subject property is platted as a condominium, we have used 1 escrow and 4 executed land sales, all of which were acquired for proposed two-story, garden condominium projects. The most widely used and market oriented unit of comparison for properties with characteristics similar to those of the subject is the sale price per square foot of land area. All transactions utilized in this analysis are analyzed on this basis.

The major elements of comparison utilized to value the subject site include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its utility and the physical characteristics of the property.

Discussion of Adjustments

Property Rights Conveyed

All of the sales utilized in this analysis involved the transfer of the fee simple interest. Therefore, no adjustments were required.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arms-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.

Financial Terms

To the best of our knowledge, all of the sales utilized in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

Market Conditions

The market has generally improved since the majority of the comparables sold. We have applied a 12.0 percent adjustment to compensate for changing market conditions.

Location

An adjustment for location is required when the locational characteristics of a comparable property are different from those of the subject property. The subject property is considered to have an average location, and it has average access and visibility. We have made a negative adjustment to those comparables considered superior in location versus the subject. Conversely, a positive adjustment was made to those comparables considered inferior. Each comparable was adjusted accordingly. Out of five sales, four were located within master planned communities in the Northwest and the Southwest. Downward adjustments of 5 to 10 percent were made for superior locations.

Size

The size adjustment generally reflects the inverse relationship between unit price and lot size. Smaller lots tend to sell for higher unit prices than larger lots, and vice versa. Hence, upward adjustments were made to larger land parcels, and downward adjustments were made to smaller land parcels. Land Sales 1, 2, 4, and 5 were adjusted from 5 to 10 percent upward due to their larger sizes in comparison to the subject.

Public Utilities

Except sales 3 and 5, all of the sales, like the subject, had full access to public utilities at the time of sale. Land Sales 3 and 5 were adjusted 10 percent upward for this feature.

Utility

The subject property has an average utility. The parcel is adequately shaped to accommodate a typical building, and it has average access, frontage and visibility. When a comparable is considered to have superior or inferior utility, an adjustment was made. No adjustments were required.

Other

In some cases, other variables will impact the price of a transaction. Some examples would include soil or slope conditions, restrictive zoning, easements, wetlands or external influences. In our analysis of the comparables we found that no unusual conditions existed at the time of sale. As a result, no adjustments were required.

Discussion of Comparable Sales

Comparable Sale No. 1

This is the February 2006 escrow price of a condo site located at the NWC Centennial & Shaumber in Las Vegas, Nevada. The parcel contains 16.92 acres and is zoned PD. The seller is Astoria CE 307 LLC; the buyer is an unnamed national builder. The site is in escrow for $13,500,000 or $18.32 per square foot. It is planned for a 120-unit condominium project. It contains 1,170 feet of Centennial frontage and 583 feet of Shaumber Road frontage. Utilities are not available. After adjustments, this comparable indicated an adjusted value of $17.75 per square foot of land area.

Comparable Sale No. 2

This is the March 2006 sale of a condo site located at the NWC Hulapai Way and Dorrell Lane in Las Vegas, Nevada. The parcel contains 15.69 acres and the site is zoned PD. This L-shaped site is located at the SWC of Elkhorn Road and Hualapai Way, in the Providence master planned community. The price was established in 11/05 and the sale was recorded in 3/06. It lies within the city limits in the Northwest submarket, approximately 1/2 mile north of 215 Beltway. The site has 507 feet of Elkhorn frontage, 1,073 feet of Hualapai Way frontage, and 213 feet of Dorrell Lane frontage. The northeast portion of the site, approximately 5.31 acres, is proposed for commercial/retail development, and the remaining 10.38 acres of the western and southern portion are approved for a 223-unit condominium project, indicating 21.5 RAC. After adjustments, this comparable indicated an adjusted value of $19.73 per square foot.

Comparable Sale No. 3

This is the December 2004 sale of a condo site located at the SWC Hualapai Way and Alexander Road in Las Vegas, Nevada. The parcel contains 4.67 acres and the site is zoned UV. It was acquired by Warmington Homes for development of a 142-unit Cambria condominium project, indicating 30.4 RAC. The site has 764 feet of Hualapai frontage and 409 feet of Alexander frontage. Utilities were not available at the time of sale. After adjustments, this comparable indicated an adjusted value of $17.85 per square foot.

Comparable Sale No. 4

This is the April 2005 sale of a condo site located at the SWC Grand Teton & Grand Canyon in Las Vegas, Nevada. The parcel contains 13.65 acres and the site is zoned PD. This site is located at the SWC of Grand Teton and Grand Canyon Drive, adjacent south of the Kyle Canyon Gateway mpc. Broadstone Montecito LLC acquired the site for development with a 376-unit Grand Canyon Village condominium project currently under construction, indicating 27.5 RAC. This site has 934 feet of Grand Teton frontage and 597 feet of Grand Canyon frontage. After adjustments, this comparable indicated an adjusted value of $19.98 per square foot.

Comparable Sale No. 5

This is the March 2005 sale of a condo site located at the SWC Pebble & Durango Drive in Las Vegas, Nevada. The parcel contains 17.28 acres and the site is zoned R3. This site is located at the SWC of Pebble Road and Durango Drive, approximately 1/4 of a mile north of Blue Diamond Road and Mountains Edge mpc. This site was acquired for development of the 260-unit Sunset Cliffs apartment project by Juliett Properties, indicating densities of 15 RAC. The site has 954 feet of Pebble frontage and 873 feet of Durango Drive frontage. Utilities were not available at the time of sale. After adjustments, this comparable indicated an adjusted value of $17.17 per square foot.

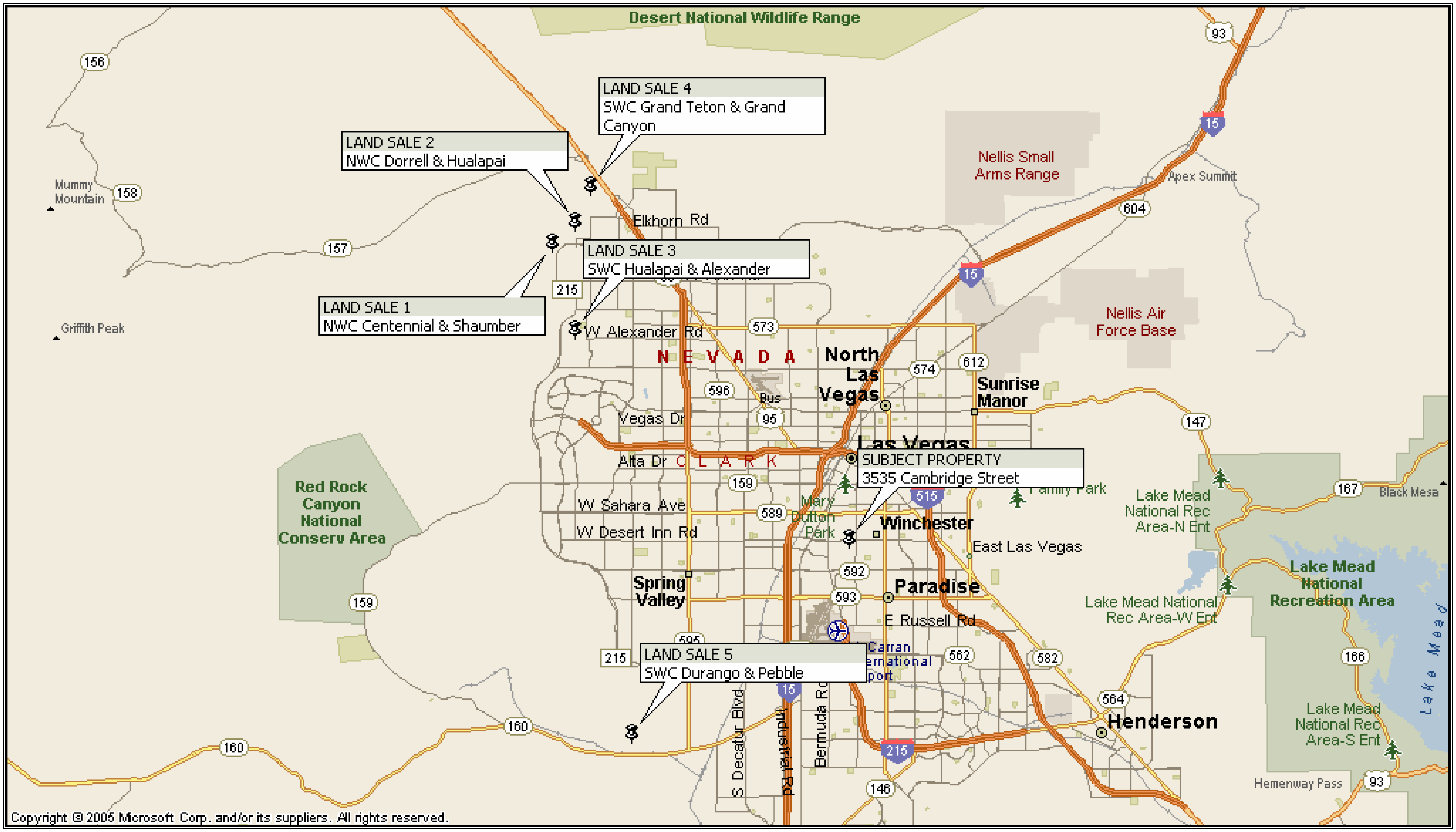
Conclusion of Site Value

After considering the differences between each comparable and the subject, the adjusted indicated sales price range is $17.17 to $19.98 per square foot, averaging $18.49 per square foot of land area.

We have placed an equal weight on all land sales; therefore, we conclude that the indicated value by the Sales Comparison Approach is:

CONCLUSION	$/Unit	$/SqFt Land
Indicated Value	$18.00	$18.00
No. of Buildable Units and Site Area (SqFt)	x 310,147	310,147
Indicated Value	$5,582,646	$5,582,646
Rounded to nearest $50,000	$5,600,000	$5,600,000
Per unit or square foot	$18.06	$18.06

CONDOMINIUM LAND SALE LOCATION MAP



CUSHMAN & WAKEFIELD.

SUMMARY OF CONDOMINIUM LAND SALES

No.	Location	Grantor / Grantee	Price / Date	Site SqFt / Site Acres	Zoning / Utility*	Utilities / Max Units	$/SqFt / $/Unit	COMMENTS
1	NWC Centennial & Shaumber Las Vegas, Nevada	Astoria CE 307 LLC Unknown	$13,500,000 Feb-06	737,035 16.9200 Ac	PD Average	Not available.	$18.32 $797,873	This site is located at the NWC of Centennial and Shaumber, within the southwestern portion of the Providence mpc. The site has been in escrow since 2/06 to an unnamed national home builder. It is planned for a 120-unit condominium project. It contains 1,170 feet of Centennial frontage and 583 feet of Shaumber Road frontage. Utilities are not available.
2	NWC Hulapai Way and Dorrell Lane Las Vegas, Nevada	Cliffs Edge LLC FF Realty, LLC	$13,336,500 Mar-06	683,456 SF 15.6900 Ac	PD Average	All to site.	$19.51 $850,000	This L-shaped site is located at the SWC of Elkhorn Road and Hualapai Way, in the Providence master planned community. The price was established in 11/05 and the sale was recorded in 3/06. It lies within the city limits in the Northwest submarket, approximately 1/2 mile north of 215 Beltway. The site has 507 feet of Elkhorn frontage, 1,073 feet of Hualapai Way frontage, and 213 feet of Dorrell Lane frontage. The northeast portion of the site, approximately 5.31 acres, is proposed for commercial/retail development, and the remaining 10.38 acres of the western and southern portion are approved for a 223-unit condominium project, indicating 21.5 RAC.
3	SWC Hualapai Way and Alexander Road Las Vegas, Nevada	Warmington Homes Nevada Warmington Cambria Associates LP	$2,968,317 Dec-04	203,425 4.6700 Ac	U or UV Average	Not available.	$14.59 $635,615	This site is located at the southwest corner of Hualapai Way and Alexander Road. It was acquired by Warmington Homes for development of a 142-unit Cambria condominium project, indicating 30.4 RAC. The site has 764 feet of Hualapai frontage and 409 feet of Alexander frontage. Utilities were not available at the time of sale.
4	SWC Grand Teton & Grand Canyon Las Vegas, Nevada	Grand View Condos Development Co. Broadstone Montecito LLC	$10,588,000 Apr-05	594,594 13.6500 Ac	PD Average	All to site.	$17.81 $775,678	This site is located at the SWC of Grand Teton and Grand Canyon Drive, adjacent south of the Kyle Canyon Gateway mpc. Broadstone Montecito LLC acquired the site for development with a 376-unit Grand Canyon Village condominium project currently under construction, indicating 27.5 RAC. This site has 934 feet of Grand Teton frontage and 597 feet of Grand Canyon frontage.
5	SWC Pebble & Durango Drive Las Vegas, Nevada	Sunset Cliffs LLC Pebble & Durango LLC	$10,369,200 Mar-05	752,717 17.2800 Ac	R-3 Average	Not available.	$13.78 $600,069	This site is located at the SWC of Pebble Road and Durango Drive, approximately 1/4 of a mile north of Blue Diamond Road and Mountains Edge mpc. This site was acquired for development of the 260-unit Sunset Cliffs apartment project by Juliett Properties, indicating densities of 15 RAC. The site has 954 feet of Pebble frontage and 873 feet of Durango Drive frontage. Utilities were not available at the time of sale.

	Price / Date	Site SqFt / Site Acres	Zoning / Utility*	Utilities	$/SqFt / $/Unit
Survey Low	$2,968,317	203,425 SF	N/A	N/A	$13.78
Survey High	$13,500,000	752,717 SF	N/A	N/A	$19.51
Average	$10,152,403	594,245 SF	N/A	N/A	$16.80
Survey Low	12/04	4.6700 Ac	N/A		$600,069
Survey High	3/06	17.2800 Ac	N/A		$850,000
Average	7/05	13.6420 Ac	N/A		$731,847
Subject Property		310,147	H-1		N/A
		7.12	Average		N/A

CONDOMINIUM LAND SALE ADJUSTMENT GRID

		Economic Adjustments (Cumulative)					Property Characteristic Adjustments (Additive)						
No.	**$/SqFt Sale Date**	**Property Rights Conveyed**	**Financing & Conditions of Sale**	**Exp. After Purchase**	**Market* Conditions**	**Subtotal**	**Location**	**Size**	**Public Utilities**	**Utility****	**Other**	**Adjusted $/Unit (Buildable)**	**Overall**
1	**$18.32**	Fee Simple/Mkt.	Arms-Length	None	Inferior	**$18.68**	Superior	Larger	Similar	Similar	Similar	**$17.75**	Superior
	2/06	0.0%	0.0%	0.0%	2.0%	2.0%	-10.0%	5.0%	0.0%	0.0%	0.0%	-5.0%	
2	**$19.51**	Fee Simple/Mkt.	Arms-Length	None	Inferior	**$19.73**	Superior	Larger	Similar	Similar	Similar	**$19.73**	Similar
	3/06	0.0%	0.0%	0.0%	1.1%	1.1%	-10.0%	10.0%	0.0%	0.0%	0.0%	0.0%	
3	**$14.59**	Fee Simple/Mkt.	Arms-Length	None	Inferior	**$17.00**	Superior	Similar	Inferior	Similar	Similar	**$17.85**	Inferior
	12/04	0.0%	0.0%	0.0%	16.5%	16.5%	-5.0%	0.0%	10.0%	0.0%	0.0%	5.0%	
4	**$17.81**	Fee Simple/Mkt.	Arms-Length	None	Inferior	**$19.98**	Superior	Larger	Similar	Similar	Similar	**$19.98**	Similar
	4/05	0.0%	0.0%	0.0%	12.2%	12.2%	-10.0%	10.0%	0.0%	0.0%	0.0%	0.0%	
5	**$13.78**	Fee Simple/Mkt.	Arms-Length	None	Inferior	**$15.61**	Superior	Larger	Inferior	Similar	Similar	**$17.17**	Inferior
	3/05	0.0%	0.0%	0.0%	13.3%	13.3%	-10.0%	10.0%	10.0%	0.0%	0.0%	10.0%	

SUMMARY	Unadjusted	Adjusted
Price Range	$/SF Land	$/SF Land
Low	$13.78	$17.17
High	$19.51	$19.98
Average	$16.80	$18.49

Net Adjustment Range (Additive Property Characteristics)

Low	-5.0%
High	10.0%
Average	2.0%

***Market Conditions Adjustment**

Compound annual change in market conditions: 12.00%

Date of Value (for adjustment calculations): 4/6/2006

**Utility includes shape, access, frontage and visibility.

Methodology

The Cost Approach is based on the principle of substitution, which states that no prudent person will pay more for a property than the cost of acquiring a site and constructing, without undue delay, an equally desirable and useful property. The steps have been outlined under the Valuation Process section of this report. We have previously developed an opinion of land value at $5,600,000. Due to the age and condition of the existing improvements, the Cost Approach appears to be unreliable and we have not put any weight on this method in our analysis. We performed this exercise upon client’s request.

Replacement Cost New (RCN)

Our opinion of replacement cost new is based on the Calculator Section in the Marshall Valuation Service, a nationally recognized publication containing construction costs for all types of improvements. Base costs are revised monthly and adjustment factors are provided to reflect regional and local cost variations.

Base Building Costs

The published costs include all direct costs for the base structure and tenant improvements, and the following indirect costs:

1. Plans, specifications, and building permits, including engineer's and architect's fees;
2. Interest on construction funds during the construction period;
3. Sales taxes on materials; and
4. Contractor's overhead and profit, including worker's compensation, fire and liability insurance, unemployment insurance, etc.

These base building costs, adjusted for any unique building characteristics and cost multipliers, are presented in the cost summary chart following this section.

Amenities, Site Improvements and Appliances

The various amenities, site improvements and appliances are not included in the base costs. These items include appliances (estimated at $286,500) as well as amenities, paving, signs, walls, site improvements, pools, landscaping, etc. (estimated to be $483,000).

Other Indirect Costs

Other indirect costs not included in the RCN of building and site improvements are developer overhead, property taxes, permanent loan fees, legal costs, developer fees, contingencies, and lease-up and marketing costs.

Research into these costs leads to the conclusion that an average property requires an allowance for other indirect costs of between 10 percent and 15 percent of RCN of building improvements plus site improvements. We have chosen to use 10.00 percent in our analysis.

Entrepreneurial Profit

Entrepreneurial profit represents the return to the developer for taking the construction and lease-up risk. Based upon our discussions with developers in the local market, this figure tends to range between 10 percent and 15 percent of total direct and indirect costs. We chose to use 10.00 percent in our analyses.

Accrued Depreciation

There are three sources of accrued depreciation:

Physical Deterioration: The subject improvements are 32 years old, built in 1974. The previous owner replaced the roof in 2005, and approximately 80 percent of the dwelling units have been renovated under the current ownership of Tower Development Group, LLC. We have used the economic age-life method to develop an opinion of physical deterioration. In the Improvements Description section of this report, we developed an opinion that the effective age of the subject to be 23 years and the economic life to be 50 years. Remaining economic life is 27 years. This results in an indicated physical deterioration of 46.00 percent (effective age divided by economic life).

Functional Obsolescence: Due to the fact that our RCN opinion considers the construction of the subject improvements utilizing modern materials and current standards, design and layout, functional obsolescence is not applicable. Therefore, functional obsolescence is 0.00 percent.

External Obsolescence: Based upon a review of the specific location of the subject as well as the local apartment market, external obsolescence is 0.00 percent.

Total Depreciation: The sum of these elements of accrued depreciation is 46.00 percent.

Conclusion

Please refer to the following page for our Cost Approach summary, which concludes to a market value opinion as follows:

	Value
Cost Approach Conclusion	$13,007,074
Rounded	$13,010,000
Per Unit	$68,115

COST APPROACH SUMMARY				
REPLACEMENT COST NEW (RCN)	**SqFt**	**$/SqFt**	**Total**	**Total Cost**
Apartment Building Base Cost	162,350	$51.19	$8,310,697	
Sprinklers	162,350	2.50	405,875	
Subtotal (NRA)		$53.69	$8,716,572	
3-story building	27,280	$83.16	$2,268,605	
Sprinklers	27,280	$2.50	$68,200	
Passenger elevator			$36,875	
Underground Parking Garage	88	$10,250	$902,000	
Subtotal		$85.66	$3,275,680	
Subtotal of Building Costs			$11,992,251	
Multipliers				
Current Cost		1.090		
Local Area		1.120		
Perimeter (approximate; blended)		0.993		
Building Height		1.000		
Product of Multipliers			x 1.212	
Adjusted Base Cost			$10,566,702	
Amenities, paving, signs, walls, site improvements, pools, landscaping, etc.			$483,000	
Appliances			$286,500	
Total Direct Costs			$11,336,202	
Plus: Indirect Costs (%of Direct Costs)	10.0%		1,133,620	
Subtotal Replacement Cost New (RCN)				**$12,469,822**
Plus: Entrepreneurial Profit (% of RCN)	10.0%			**1,246,982**
Total Replacement Cost New (RCN)				**$13,716,805**
Per Square Foot				$72.33
ACCRUED DEPRECIATION				
Physical Deterioration				
Effective Age (Years):	23 Years			
Total Expected Economic Life	50 Years			
Total Physical Depreciation:	46.0%		$6,309,730	
Functional Obsolescence	0.0%		0	
External Obsolescence	0.0%		0	
Total	46.0%			**$6,309,730**
Depreciated Value of the Improvements				**$7,407,074**
Per Square Foot NRA				$39.06
Plus Land Value				**$5,600,000**
Indicated Stabilized Value				**$13,007,074**
Rounded to nearest $10,000				**$13,010,000**
Per Unit				**$68,115**
Per Square Foot (NRA)				**$68.61**

Source: Marshall Valuation Service	Section: 12	Quality:	Average
	Page: 14	Class:	D
	Date: 5/00	Type:	Multiple Residences

Methodology

In the Sales Comparison Approach, we developed an opinion of value by comparing this property with similar, recently sold properties in the surrounding or competing area. Inherent in this approach is the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arm's-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends. The basic steps of this approach are:

1. Research recent, relevant property sales and current offerings throughout the competitive area;
2. Select and analyze properties that are similar to the property appraised, analyzing changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional, or locational factors;
3. Identify sales that include favorable financing and calculate the cash equivalent price;
4. Reduce the sale prices to a common unit of comparison such as price per square foot, price per unit or effective gross income multiplier ;
5. Make appropriate comparative adjustments to the prices of the comparable properties to relate them to the property being appraised; and
6. Interpret the adjusted sales data and draw a logical value conclusion.

On the following pages we present a summary of the improved properties that we compared to the subject property, a map showing their locations, and an adjustment grid.

COMPARABLE APARTMENT PROPERTY SALES MAP

APARTMENT SALES

No.	Name Address	Grantor Grantee	Sale Price Date	Average Unit SF Bldg SqFt	% Occ. # Units	Quality Year Built	SP/SF SP/Unit	Expense Ratio EGIM	NOI/Unit OAR	Comments
1	The Pine Apartments	Nevada Pines I LLC	$24,250,000	716	95.0%	Average	$84.88	45%	$3,990	This is April 2006 acquisition of The Pines Apartments located at the NEC of Decatur Blvd and Sirius Avenue. Reportedly, the property was not on the market at the time of sale; the buyer approached the seller directly. Built in 1979, the property contains a total of 8 buildings composed of six 2-story, and two 1-story buildings. There are 312 units of which 64 are studios, 152 are 1/1 and 96 are 2/2 units. The average size ranges from 495 s.f. for studios, to 674 s.f. for 1/1 and 978 s.f. for 2/2 units. The property contains a total of 154 parking spaces. Amenities include a pool, a tennis court, dishwashers and balconies. It sold on a 5.13 percent cap rate and NOI of $3,990 per unit.
	3060 S. Decatur Blvd, Las Vegas, NV	Evergreen Apartment Homes LLC	4/06	217,360	312 units	1979	$77,724	10.80	5.13%	
2	Sahara Palms Apartments	BES Sahara Palms Fund III LLC	$24,413,812	1,001	93.0%	Average	$96.39	43%	$4,855	This apartment complex is located at the NEC of Richfield Blvd and El Camino Avenue. Built in 1979, the property consists of thirty 2-story and one 1-story, frame & stucco buildings, totaling 253,275 square feet. There are 312 units of which 152 are 1/1 units averaging 680 sq. ft. in size, 48 2/1 units, averaging 816 sq. ft. in size, 88 2/2 units averaging 910 sq. ft. in size, and 24 3/2 units averaging 1,319 sq. ft. in size. Amenities include basketball and volleyball courts, 2 pools, fireplace, 2 spas, and balconies. There are 512 parking spaces. It sold on a 6.19 percent cap rate and NOI of $4,855 per unit.
	2900 El Camino Avenue, Las Vegas, NV	RW Sahara Palms LLC	3/05	253,275	312 units	1979	$78,249	9.25	6.19%	
3	Wagon Trails Apartments	Lincoln Wagon Trls Assoc. Ltd	$17,250,000	701	93.0%	Average	$109.93	39%	$4,690	This property is located north of the NWC of Desert Inn Road and Pecos Road. Built in 1983, it consists of 224 units composed of 24 studios, 104 1/1 units, 84 2/2 units and 12 3/2 units. Amenities include walk-in closets, patios, pools, spas, a basketball court, laundry facilities, and a playground/picnic area. It sold on a 6.09 cap rate and NOI of $4,690 per unit.
	3225 S. Pecos Road, Las Vegas, NV	Portico Rosewood LLC	3/06	156,917	224 units	1983	$77,009	10.04	6.09%	
4	Elmwood Villas	DT Las Vegas I LP	$12,995,000	921	95.0%	Average	$93.44	40%	$4,762	Located at the SEC of Cedar and 28th Street, adjacent north of U.S. 95 Highway, this property represents April 2006 listing for $82,247 per unit. The property was built in 1986 and contains a total of 6 3-story buildings totaling 139,072 square feet. Platted as an apartment complex, the property consists of 158 units of which 36 are 1/1, 96 are 2/2, and 26 are 3/2 units, ranging in size from 670 sq. ft. to 1,100 sq. ft. Amenities include balconies, ceiling fans, a BBQ area, and a laundry facility. The property is selling on a 5.79 cap rate and NOI of $4,762 per unit.
	401 N. 28th Street, Las Vegas, NV	N/A	4/06	139,072	158 units	1986	$82,247	10.29	5.79%	
5	Toscana Villas	Alliance PP LP	$25,100,000	965	95.0%	Average	$112.42	43%	$4,602	This property is located at the SWC of Tompkins and Topaz Street, approximately 1/4 mile east of Eastern Avenue. The buyer acquired this project for a condo conversion. Built in 1976, this complex contains a total of 270 units averaging 965 square feet in size. There are 120 1/1 units, 104 2/2 units, and 46 3/2 units. The property contains 40, frame and stucco construction, Spanish tile roof buildings that sold in average condition. Amenities include 2 pools, a tennis court, W/D, refrigerators, and fireplaces. The property sold on a 4.95 cap rate and NOI of $4,602 per unit. The buyer also acquired the Sonterra apartments as a condition of this purchase.
	4775 Topaz Street, Las Vegas, NV	Alliance PP2 FX3 LP	2/06	223,268	270 units	1976	$92,963	11.47	4.95%	
6	Sonterra Apartments	Alliance PP LP	$31,100,000	1,001	95.0%	Average	$110.09	44%	$4,407	This sale represented the purchase condition of the previous sale. The property is located at the NEC of Tamarus Street and Reno Avenue. The property was built in 1975 and contains a total of 35 2-story buildings totaling 282,500 square feet. It consists of a wood frame construction, a concrete slab foundation, and a concrete shingle roof. The property consists of 350 units of which 184 are 1/1, 130 are 2/2, and 36 are 3/2 units, averaging 1,001 square feet in size. Amenities include balconies, fireplaces, a gym, 5 laundry rooms, 2 pools, a clubhouse, a tot lot, and a tennis court. The property sold on a 4.96 cap rate and NOI of $4,407 per unit.
	5050 Tamarus Street, Las Vegas, NV	Alliance PP2 FX3 LP	2/06	282,500	350 units	1975	$88,857	11.24	4.96%	
7	Newport Cove Apartments	Newport Cove Investors California L	$21,067,200	1,050	N/A	Average	$83.60	N/A	$5,355	This transaction was comprised of 240 units spread out among 3 non-contiguous parcels, each containing 80 units per parcel. These 3 parcels are located at the SWC of Reno Ave and Tamarus Street, and the northwest and northeast corners of Tamarus Street and Hacienda Avenue. Although the buyer acquired the property for a future condo conversion, the deed contains a provision that prohibits the property from being converted to condominiums or time-share units until 2010. This property was on the market for 6 months, and in escrow for 4 months. Built in 1984, the property contains 60 two-story, frame and stucco construction, flat built up roof buildings which sold in average condition. There are 240 2/2 units averaging 1,050 square feet in size. Amenities included balconies, fireplaces, 3 pools, a clubhouse, 3 spas, and W/D. There are 40 1-car garages and 200 open parking spaces.
	5246 Tamarus Street, Las Vegas, NV	Newport Cove East LLC	3/05	252,011	240 units	1984	$87,780	N/A	6.10%	

Survey Minimum	$12,995,000	701 SF	93.0%	N/A	$83.60	39%	$3,990
Survey Maximum	$31,100,000	1,050 SF	95.0%	N/A	$112.42	45%	$5,355
Survey Average	$22,310,859	908 SF	94.3%	N/A	$98.68	42%	$4,666
Survey Minimum	3/05	139,072 SF	158 SF	1975	$77,009	9.25	4.95%
Survey Maximum	4/06	282,500 SF	350 units	1986	$92,963	11.47	6.19%
Survey Average	11/05	217,772 SF	267 units	1980	$83,547	10.52	5.60%
Subject Property	N/A	993 SF	92.7%	average	N/A	40%	$6,241
	N/A	189,630 SF	191	1974	N/A	N/A	N/A

IMPROVED COMPARABLE SALE ADJUSTMENT GRID

		ECONOMIC ADJUSTMENTS (CUMULATIVE)					PROPERTY CHARACTERISTIC ADJUSTMENTS (ADDITIVE)									
No.	**$/Unit Date**	**Property Rights Conveyed**	**Financing & Conditions of Sale**	**Exp. After Purchase**	**Market* Conditions**	**Subtotal**	**Location**	**Size**	**Age, Quality Condition**	**Amenities**	**Unit Mix**	**Utility**	**Economics**	**Other**	**Adj. $/Unit**	**Overall**
1	**$77,724**	Fee Simple/Mkt.	Arms-Length	None	Inferior	**$77,802**	Similar	Similar	Similar	Inferior	Similar	Similar	Inferior	Similar	**$93,363**	Inferior
	4/06	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	15.0%	0.0%	0.0%	5.0%	0.0%	20.0%	
2	**$78,249**	Fee Simple/Mkt.	Arms-Length	None	Inferior	**$82,553**	Similar	Similar	Similar	Inferior	Similar	Similar	Similar	Similar	**$94,936**	Inferior
	3/05	0.0%	0.0%	0.0%	5.5%	5.5%	0.0%	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	0.0%	15.0%	
3	**$77,009**	Fee Simple/Mkt.	Arms-Length	None	Inferior	**$77,394**	Similar	Similar	Similar	Inferior	Similar	Similar	Similar	Similar	**$89,003**	Inferior
	3/06	0.0%	0.0%	0.0%	0.5%	0.5%	0.0%	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	0.0%	15.0%	
4	**$82,247**	Fee Simple/Mkt.	Arms-Length	None	Inferior	**$79,859**	Similar	Similar	Similar	Inferior	Similar	Similar	Similar	Similar	**$91,838**	Inferior
	4/06	0.0%	-3.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	15.0%	0.0%	0.0%	0.0%	0.0%	15.0%	
5	**$92,963**	Fee Simple/Mkt.	Arms-Length	None	Inferior	**$93,614**	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	**$93,614**	Similar
	2/06	0.0%	0.0%	0.0%	0.7%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
6	**$88,857**	Fee Simple/Mkt.	Arms-Length	None	Inferior	**$89,479**	Similar	Similar	Similar	Inferior	Similar	Similar	Similar	Similar	**$93,953**	Inferior
	2/06	0.0%	0.0%	0.0%	0.7%	0.7%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	5.0%	
7	**$87,780**	Fee Simple/Mkt.	Arms-Length	None	Inferior	**$92,608**	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	**$92,608**	Similar
	3/05	0.0%	0.0%	0.0%	5.5%	5.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

SUMMARY

Price Range	Unadj. $/Unit	Adj. $/Unit
Low	$77,009	$89,003
High	$92,963	$94,936
Average	$83,547	$92,759

Net Adjustment	
Low	0.0%
High	20.0%
Average	10.0%

***Market Conditions Adjustment**

Compound annual change in market conditions:	5.00%
Date of Value (for adjustment calculations):	Apr-06

Percentage Adjustment Method

Adjustment Process

The sales that we have utilized represent the best available information that could be compared to the subject property. All of our sales were located within the subject's 4-mile radius. In our analysis, we have used 2 condominium sales, 4 apartment sales, and 1 apartment listing. All of the sales were similar in location, utility, age and condition. The major elements of comparison for an analysis of this type include the property rights conveyed, the financial terms incorporated into a particular transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

The first adjustment made to the market data takes into account differences between the subject property and the comparable property sales with regard to the legal interest transferred. Advantageous financing terms or peculiar conditions of sale are then adjusted to reflect a normal market transaction. Next, changes in market condition must be accounted for, thereby creating a time adjusted normal unit of comparison. Lastly, adjustments for location, the physical traits and the economic characteristics of the market data are made in order to generate the final adjusted unit rate, which is appropriate for the subject property.

Property Rights Conveyed

All of the sales utilized in this analysis involved the transfer of the Fee Simple interest. Since we are appraising the Fee Simple interest of the subject property, no adjustments were required.

Financial Terms

To the best of our knowledge, all of the sales utilized in this analysis were accomplished with cash and/or cash and market-oriented financing. Therefore, no adjustment for financial terms is required for the comparables.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arms-length" market transactions between both knowledgeable buyers and sellers on the open market. Improved Comparable 4 represented April 2006 listing; therefore a 3 percent downward adjustment was made to this comparable since the list price typically represents a starting point of negotiations.

Market Conditions

Seven comparables were used in our analysis. These sales occurred between March 2005 and April 2006, including two 2005 sales and five 2006 sales. The market has generally improved since comparables sold. We have applied a 5.00 percent adjustment to compensate for changing market conditions.

Location

An adjustment for location is required when the locational characteristics of a comparable property are different from those of the subject property. The subject property is considered a average location, and it has average access and visibility. We have made a negative adjustment to those comparables considered superior in location versus the subject. Conversely, a positive adjustment was made to those comparables considered inferior. Each comparable was adjusted accordingly. No adjustments we required for location, since all of our comparables were located within a 4-mile radius of the subject.

Physical Traits

Various physical factors were analyzed including size, age, condition, quality, amenities, unit mix, utility, etc. When an item was determined to be inferior to the subject, a positive adjustment was applied. When an item was determined to be superior to the subject, a negative adjustment was applied. Upward adjustments of 5 to 15 percent were required for Improved Sales 1, 2, 3, 4, and 6 due to their lack of amenities, and their inferior quality.

Economic Characteristics

This adjustment is used to reflect differences in rent levels, operating expense ratios, occupancy levels, and other items that would have an economic impact on the transaction. Each comparable was adjusted accordingly. Improved Sale 1 was adjusted 5 percent upward for its lower NOI when compared to the subject property's NOI.

Discussion of Comparable Sales

In our analysis of the market for comparable apartment and condominium properties, we have compared the subject property to similar properties in the subject's market area. These are discussed below.

Comparable Sale No. 1

This was the April 2006 sale of The Pine Apartments located at 3060 S. Decatur Boulevard, in Las Vegas, Nevada. The Pines Apartments are located at the NEC of Decatur Blvd and Sirius Avenue. Reportedly, the property was not on the market at the time of sale; the buyer approached the seller directly. The property sold from Nevada Pines I LLC to Evergreen Apartment Homes LLC for $ 77,724 per unit. Built in 1979, the property contains a total of eight buildings composed of six 2-story, and two 1-story buildings. There are 312 units of which 64 are studios, 152 are 1/1 and 96 are 2/2 units. The average size ranges from 495 s.f. for studios, to 674 s.f. for 1/1 and 978 s.f. for 2/2 units. The property contains a total of 154 parking spaces. Amenities include a pool, a tennis court, dishwashers and balconies. It sold on a 5.13 percent cap rate and NOI of $3,990 per unit. The subject was similar to the comparable in location, unit mix, age and condition.

After all adjustments, this comparable indicated a unit price of $93,363.

Comparable Sale No. 2

This was the March 2005 sale of the Sahara Palms Apartments located at 2900 El Camino Avenue in Las Vegas, Nevada. This property sold from BES Sahara Palms Fund III LLC to RW Sahara Palms LLC for $78,249 per unit. This apartment complex is located at the NEC of Richfield Blvd and El Camino Avenue. Built in 1979, the property consists of thirty 2-story and one 1-story, frame & stucco buildings, totaling 253,275 square feet. There are 312 units of which 152 are 1/1 units averaging 680 sq. ft. in size, 48 2/1 units, averaging 816 sq. ft. in size, 88 2/2 units averaging 910 sq. ft. in size, and 24 3/2 units averaging 1,319sq. ft. in size. Amenities include basketball and volleyball courts, 2 pools, fireplaces, 2 spas, and balconies. There are 512 parking spaces. It sold on a 6.19 percent cap rate and NOI of $4,855 per unit.

After all adjustments, this comparable indicated a unit price of $94,936.

Comparable Sale No. 3

This was the March 2006 sale of the Wagon Trails Apartments located at 3225 South Pecos Road in Las Vegas, Nevada. This property sold from Lincoln Wagon TRLS Assoc. Ltd. to Portico Rosewood LLC for $17,250,000, or $77,009 per unit. It is located one lot north of the NWC of Desert Inn and Pecos Road, in the central portion of Las Vegas. Built in 1983, it consists of 224 units composed of 24 studios, 104 1/1 units, 84 2/2 units and 12 3/2 units. Amenities include walk-in closets, patios, pools, spas, a basketball court, laundry facilities, and a playground/picnic area. It sold on a 6.09 cap rate and NOI of $4,690 per unit.

After all adjustments, this comparable indicated a unit price of $89,003.

Comparable Sale No. 4

This is the April 2006 listing of the Elmwood Villas Apartments located at 401 N. 28th Street in Las Vegas, Nevada. This property is listed for $12,995,000 or $82,247 per unit. Located at the SEC of Cedar and 28th Street, adjacent north of U.S. 95 Highway, this property represents April 2006 listing for $82,247 per unit. The property was built in 1986 and contains a total of 6 3-story buildings totaling 139,072 square feet. The property consists of 158 units of which 36 are 1/1, 96 are 2/2, and 26 are 3/2 units, ranging in size from 670 sq. ft. to 1,100 sq. ft. The property is selling on a 5.79 cap rate and NOI of $4,762 per unit.

After all adjustments, this comparable indicated a unit price of $91,838.

Comparable Sale No. 5

This was the February 2006 sale of the Toscana Villas apartments located at 4775 Topaz Street in Las Vegas, Nevada. Alliance PP LP sold the property to Alliance PP2 FX3 LP for $92,963 per unit. This property is located at the SWC of Tompkins and Topaz Street, approximately 1/4 mile east of Eastern Avenue. The buyer acquired this project for a condo conversion in February 06 for $92,963 per unit. Built in 1976, this complex contains a total of 270 units averaging 965 square feet in size. There are 120 1/1 units, 104 2/2 units, and 46 3/2 units. The property contains 40, frame and stucco construction, Spanish tile roof buildings that sold in average condition. Amenities include 2 pools, a tennis court, W/D, refrigerators, and fireplaces. The property sold on a 4.95 cap rate and NOI of $4,602 per unit. The buyer also acquired the Sonterra apartments as a condition of this purchase.

After all adjustments, this comparable indicated a unit price of $93,614.

Comparable Sale No. 6

This was the February 2006 sale of the Sonterra Apartments located at 5050 Tamarus Street in Las Vegas, Nevada. This sale represented the purchase condition of the previous sale. The property is located at the NEC of Tamarus Street and Reno Avenue. Alliance PP LP sold the property to Alliance PP2 FX3 LP for $88,857 per unit. The property was built in 1975 and contains a total of 35 2-story buildings totaling 282,500 square feet. It consists of a wood frame construction, a concrete slab foundation, and a concrete shingle roof. The property consists of 350 units of which 184 are 1/1, 130 are 2/2, and 36 are 3/2 units, averaging 1,001 square feet in size. Amenities include balconies, fireplaces, a gym, 5 laundry rooms, 2 pools, a clubhouse, a tot lot, and a tennis court. The property sold on a 4.96 cap rate and NOI of $4,407 per unit.

After all adjustments, this comparable indicated a unit price of $93,953.

Comparable Sale No. 7

This was the March 2005 sale of the Newport Cove Apartments located at 5246 Tamarus Street in Las Vegas, Nevada. Newport Cove Investors California L sold the property to Newport Cove

East LLC for $87,780 per unit. This transaction was comprised of 240 units spread out among 3 non-contiguous parcels, each containing 80 units per parcel. These 3 parcels are located at the SWC of Reno Ave and Tamarus Street, and the northwest and northeast corners of Tamarus Street and Hacienda Avenue. Although the buyer acquired the property for a future condo conversion, the deed contains a provision that prohibits the property from being converted to condominiums or time-share units until 2010. This sale was on the market for 6 months, and it was in escrow for 4 months. Built in 1984, the property contains 60 two-story, frame and stucco construction, flat built up roof buildings which sold in average condition. There are 240 2/2 units averaging 1,050 square feet in size. Amenities included balconies, fireplaces, 3 pools, a clubhouse, 3 spas, and W/D. There are 40 1-car garages and 200 open parking spaces.

After all adjustments, this comparable indicated a unit price of $92,608.

Summary of Percentage Adjustment Method

After adjusting each comparable sale for differences with the subject property, the adjusted sale price range is $89,003 to $94,936 per unit, averaging $92,759 per unit. Although all of our Improved Sales were built between 1975 and 1986, featured a similar unit mix, age and condition, and were located approximately 4 miles within the subject property, we have placed the most weight on Improved Sales 5 and 7. Except for market conditions adjustments, these sales did not require any additional adjustments. These sales represented acquisitions of the Toscana Villas complex and the Newport Cove Apartments. Both of these sales were acquired for future condo conversions. After all adjustments, the indicated unit prices were $93,614 and $92,608, respectively.

The subject property was acquired by the current owners in June 2005 for $15,400,000 or $81,052 per unit. At the time of acquisition, the subject was in average condition with amenities reflecting the current market. At the time of inspection in April 2006, approximately 80 percent of the subject's units were renovated. The interior amenities featured gas fireplaces, large master bathrooms with cultured marble vanities, ceramic tile floorings in bathrooms, 1-foot ceramic tile flooring in the kitchen area, microwaves, double stainless sink, GE dishwashers, washer and dryers, ceiling fans, and French doors to outside patios. The townhouse units, which represent approximately 9 percent of subject's total units, featured attached 2-car garages. After 4.2 percent adjustments for market conditions and a 10 percent upward adjustment for upgraded amenities, the subject property reflects an adjusted unit price of $92,902.

Therefore, we conclude that the indicated value by the Sales Comparison Approach is:

ADJUSTMENT METHOD CONCLUSION			
		Rounded to Nearest $100,000	Per Unit
Indicated Value per Unit	$93,000		
Number of Units	x 191		
Indicated Value	$17,763,000	$17,800,000	$93,194

Sales Comparison Approach Conclusion

The following is a summary of our concluded values within the Sales Comparison Approach:

Based on our analysis of competitive transactions, we conclude that the indicated value by the Sales Comparison Approach is as follows:

Indicated Value	$/SqFt	$/Unit
$17,800,000	$93.87	$93,194

Methodology

The Income Capitalization Approach is a method of converting the anticipated economic benefits of owning property into a value through the capitalization process. The principle of "anticipation" underlies this approach in that investors recognize the relationship between an asset's income and its value. In order to value the anticipated economic benefits of a particular property, potential income and expenses must be projected, and the most appropriate capitalization method must be selected.

The two most common methods of converting net income into value are Direct Capitalization and Discounted Cash Flow. In direct capitalization, net operating income is divided by an overall capitalization rate to indicate an opinion of market value. In the discounted cash flow method, anticipated future cash flows and a reversionary value are discounted to an opinion of net present value at a chosen yield rate (internal rate of return).

In our opinion, direct cap method was appropriate to value the subject property.

Historical Performance of the Subject Property

Presented on the following page is a summary of historical revenue and expenses for 2004 and annualized 2005, as well as Owner’s 2006 Proforma and our Year 1 forecast for the subject property. Since the current owner acquired the subject in June 2005, only a partial year’s income and expenses were available. These were annualized in our analysis.

REVENUE AND EXPENSE ANALYSIS

	2004			YTD	2005 Annulized			YTD	2006 Annulized			2006 Owner's Budget				Budget Comparison				Year 1 C&W Forecast		
	Total	$/Unit	$/SF	Current	Total	$/Unit	$/SF	Current	Total	$/Unit	$/SF	Total	$/Unit	$/SF		Total	$/Unit	$/SF	Adj.*	Total	$/Unit	$/SF
Average Physical Occupancy (%)		N/A				89%				94%			95%								95%	
Economic Occupancy (%)		95%				95%				95%			95%								95%	
POTENTIAL GROSS INCOME																						
Gross Potential Rental Income	$1,539,960	$8,063	$8.12	$1,077,615	$1,847,446	$9,672	$9.74	$461,276	$1,845,104	$9,660	$9.73	$1,899,965	$9,947	$10.02		($54,861)	($287)	($0.29)		$2,039,280	$10,677	$10.75
Loss/Gain to Lease	0	$0	$0.00	(33,695)	($57,766)	($302)	($0.30)	(5,027)	($20,108)	($105)	($0.11)	9,105	48	0.05		($29,213)	($153)	($0.15)		(10,000)	(52)	(0.05)
Adjusted Rental Income	$1,539,960	$8,063	$8.12	$1,043,920	$1,789,679	$9,370	$9.44	$456,249	$1,824,996	$9,555	$9.62	$1,909,070	N/A	N/A		($84,074)	($440)	($0.44)		$2,029,280	$10,625	$10.70
Month to Month Fees	$0	$0	$0.00	$50	$86	0	$0.00	$585	2,340	12	0.01	$2,400	$13	$0.01		($60)	($0)	($0.00)		$2,400	$13	$0.01
Less: Employee Unit Discounts	0	0	0.00	(9,128)	($15,649)	(82)	(0.08)	(548)	(2,192)	(11)	(0.01)	(4,850)	(25)	(0.03)		2,658	14	0.01		(4,850)	(25)	(0.03)
Less: Model Units	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0	0.00		0	0	0.00		0	0	0.00
Less: Prepaid/Delinquent	$0	0	0.00	$50,470	$86,525	453	0.46	$10,438	41,752	219	0.22	0	0	0.00		41,752	219	0.22		$0	0	0.00
Total Rental Revenue	$1,539,960	$8,063	$8.12	$1,085,312	$1,860,641	$9,742	$9.81	$466,724	$1,866,896	$9,774	$9.84	$1,906,620	$9,982	$10.05		($39,724)	($208)	($0.21)		$2,026,830	$10,612	$10.69
Vacancy & Credit Loss																						
Vacancy	$0	$0	$0.00	($108,564)	($186,120)	($974)	($0.98)	($27,518)	($110,072)	($576)	($0.58)	($95,454)	($500)	($0.50)		($14,618)	($77)	($0.08)	5.00%	($101,342)	($531)	($0.53)
Credit Loss	0	0	0.00	(48,252)	($82,722)	(433)	(0.44)	(12,598)	(50,392)	(264)	(0.27)	(19,091)	(100)	(0.10)		(31,301)	(164)	(0.17)		(70,000)	(366)	(0.37)
Rent Concessions	0	0	0.00	(5,195)	($8,906)	(47)	(0.05)	(2,161)	(8,644)	(45)	(0.05)	0	0	0.00		(8,644)	(45)	(0.05)		0	0	0.00
Other Adjustments	0	0	0.00	0	$0	0	0.00	0	0	0	0.00	0	0	0.00		0	0	0.00		0	0	0.00
Total Vacancy & Credit	$0	$0	$0.00	($162,011)	($277,749)	($1,454)	($1.46)	($42,277)	($169,108)	($885)	($0.89)	($114,545)	($600)	($0.60)		($54,563)	($286)	($0.29)		($171,342)	($897)	($0.90)
Other Income																						
Other Income	$33,405	$175	$0.18	$57,357	$98,332	$515	$0.52	$18,803	$75,212	$394	$0.40	$123,469	$646	$0.65		(48,257)	(253)	(0.25)		$123,500	647	$0.65
RUBS	0	0	0.00	0	0	0	0.00	1,003	4,012	21	0.02	0	0	0.00		4,012	21	0.02		4,000	21	0.02
Total Other Income	$33,405	$175	$0.18	$57,357	$98,332	$515	$0.52	$19,806	$79,224	$415	$0.42	$123,469	$646	$0.65		($44,245)	($232)	($0.23)		$127,500	$668	$0.67
EFFECTIVE GROSS INCOME	$1,573,365	$8,238	$8.30	$980,658	$1,681,224	$8,802	$8.87	$444,253	$1,777,012	$9,304	$9.37	$1,915,544	$10,029	$10.10		($138,532)	($725)	($0.73)		$1,982,989	$10,382	$10.46
OPERATING EXPENSES																						
Management Fee	$62,935	$330	$0.33	$31,478	$53,965	$283	$0.28	$35,918	$143,672	$752	$0.76	$150,335	$787	$0.79		($6,663)	($35)	($0.04)	4.00%	$79,320	$415	$0.42
Total Payroll & Burden	64,352	337	0.34	61,782	$105,918	555	0.56	58,915	235,660	1,234	1.24	184,093	964	0.97		51,567	270	0.27		$185,000	$969	0.98
General & Administrative	13,052	68	0.07	33,378	$57,223	300	0.30	7,269	29,074	152	0.15	12,708	67	0.07		16,366	86	0.09		13,000	$68	0.07
Marketing & Promotion	22,774	119	0.12	12,280	$21,053	110	0.11	4,680	18,720	98	0.10	30,692	161	0.16		(11,972)	(63)	(0.06)		25,000	$131	0.13
Maint. & Repairs	153,740	805	0.81	35,577	$60,993	319	0.32	15,671	62,684	328	0.33	67,460	353	0.36		(4,776)	(25)	(0.03)		67,000	$351	0.35
Contract Services				10,451	$17,917	94	0.09	5,103	20,412	107	0.11	19,200	101	0.10		1,212	6	0.01		19,200	$101	0.10
Utilities	128,363	672	0.68	83,099	$142,464	746	0.75	50,071	200,284	1,049	1.06	154,335	808	0.81		45,949	241	0.24		154,500	$809	0.81
Insurance	45,697	239	0.24	26,317	$45,117	236	0.24	17,759	71,036	372	0.37	45,789	240	0.24		25,247	132	0.13		45,790	$240	0.24
Licenses & Permits				1,535	$2,632	14	0.01	0	0	0	0.00	2,900	15	0.02		(2,900)	(15)	(0.02)		2,900	$15	0.02
Real Estate Taxes	71,997	377	0.38	44,878	$76,938	403	0.41	12,960	51,838	271	0.27	78,000	408	0.41		(26,162)	(137)	(0.14)		77,757	$407	0.41
Replacement Reserves	0	0	0.00	0	0	0	0.00	0	0	0	0.00	43,000	225	0.23		(43,000)	(225)	(0.23)		66,850	$350	0.35
Total Operating Expenses	$562,910	$2,947	$2.97	$340,775	$584,219	$3,059	$3.08	$208,345	$833,380	$4,363	$4.39	$788,512	$4,128	$4.16	$0.02	$44,868	$235	$0.24		$736,317	$3,855	$3.88
NET OPERATING INCOME	$1,010,455	$5,290	$5.33	$639,883	$1,097,005	$5,743	$5.78	$235,908	$943,632	$4,940	$4.98	$1,127,032	$5,901	$5.94		($183,400)	($960)	($0.97)		$1,246,672	$6,527	$6.57
OTHER CAPITAL	$0	$0	$0.00	$0	$0	$0	$0.00	$0	$0	$0	$0.00	$0	$0	$0.00		$0	$0	$0.00		$0	$0	$0.00
Expense Ratio	35.78%				34.75%				46.90%			41.16%								37.13%		
Management Fee % of EGI	4.00%				3.21%				8.09%			7.85%								4.00%		

*Rents may be adjusted for lagging market conditions.

Market Rental Rates

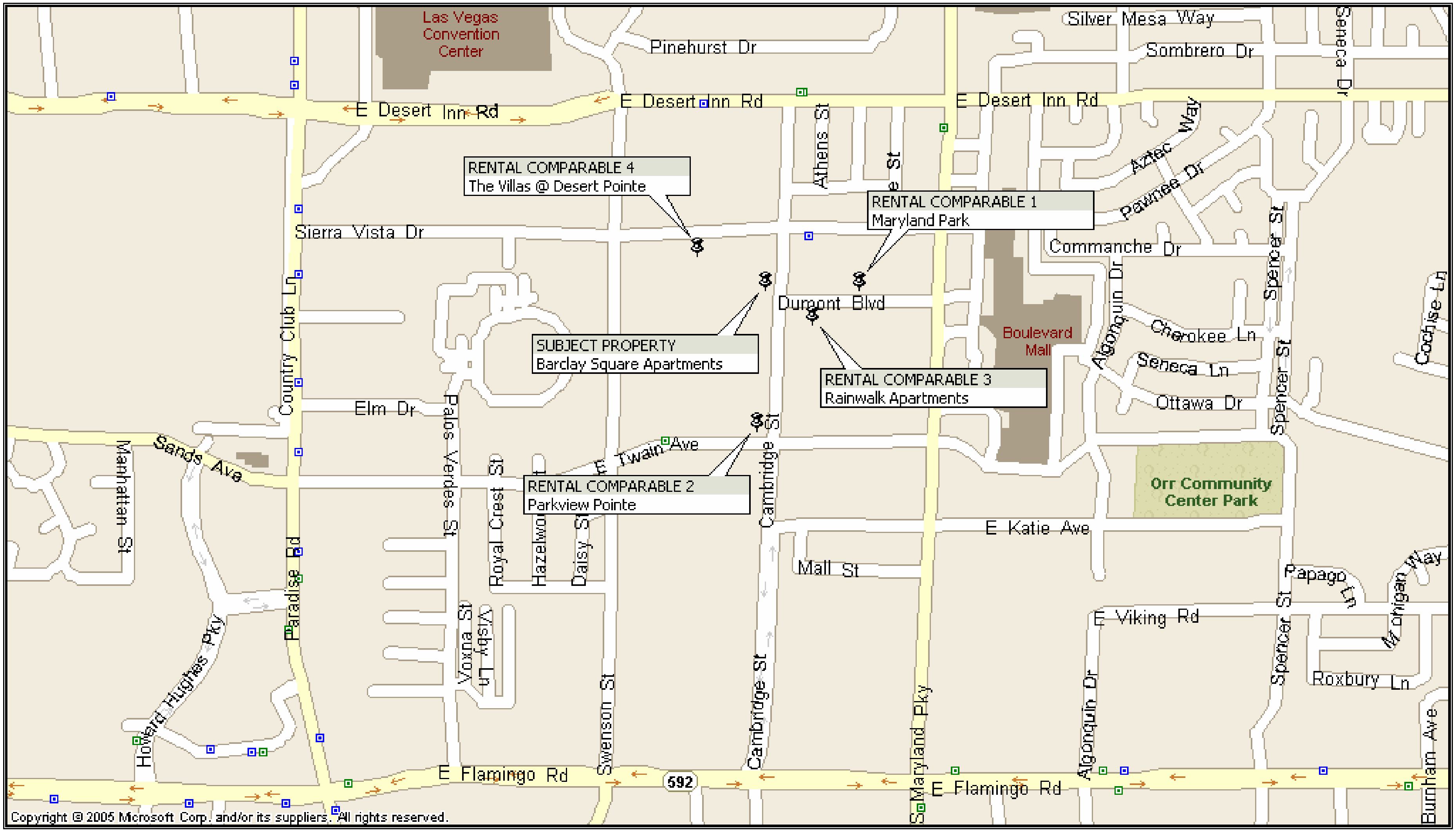
In an effort to estimate the current market rent achievable for the subject's unit mix, we surveyed several competitive apartment complexes summarized as follows:

RENT COMPARABLES

No.	Property Name & Location	Year Built	No. Units	BR/BA	Features	SF	Base Quoted Rent $/Unit	Base Quoted Rent $/SF	Concession	Effective Rent $/Unit	Effective Rent $/SF	Occup.	Utilities, Premiums, Amenities & Comments
1	**Maryland Park**	1962	44	1/1	Walk-in closets	480	$545	$1.14	None	$545	$1.14		No concessions offered
	101 Dumont Blvd.		91	1/1	CF, CAB, SP (2)	740	$610	0.82		$610	0.82		Water, sewer and trash included
	Las Vegas, Nevada 89109				Carports, MINI								Lease terms include 6, 9, and 12 mo.
					Laundry Room (2)								1 mo. rent security deposit
													$150 cleaning fee, $50 application fee
													Similar location
			135			655	$589	$0.90		$589	$0.90	97%	
2	**Parkview Pointe**	1972	30	1/1	CL, Carports, Storage	650	$584	$0.90	None	$584	$0.90		No concessions offered
	3665 Cambridge		30	1/1	SP (2), Playground	650	$575	0.88		$575	0.88		Water, sewer and trash included
	Las vegas, Nevada 89109		66	2/2	BBQ Area, Laundry Room	900	$690	0.77		$690	0.77		12-month lease term
			65	2/2	Dishwasher, Refrig., CF	900	$680	0.76		$680	0.76		$200 Security Deposit
					CAB, PP, MINI								$100 Cleaning Fee, $30 Applic. Fee
													$300 Non-refund. Pet Deposit
													Pets under 25 lbs.
													Similar location
			191			821	$652	$0.79		$652	$0.79	96%	
3	**Rainwalk**	1973	80	1/1	SP (3), J, MINI	750	$655	$0.87	None	$655	$0.87		No concessions offered
	1001 Dumont Blvd.		81	1/1	Laundry Room (7)	800	$765	0.96		$765	0.96		Water, sewer and trash included
	Las Vegas, Nevada 89109		41	2/2.5	WDC, Dishwasher	1,600	$965	0.60		$830	0.52		Lease terms 6 to 12 months
			41	2/2.5	Refrigerator, Walk-in closet	1,400	$830	0.59		$965	0.69		Security deposit $300, Cleaning Fee $150
			31	3/2	FP, PP, CAB, Storage	2,000	$1,000	0.50		$1,000	0.50		Appl. Fee $35
			31	3/2	Courtesy Patrol	2,000	$1,400	0.70		$1,400	0.70		$300 non-refundable pet deposit
					Vaulted Ceilings								$150 non-refundable pet fee
			305			1,219	$860	$0.71		$860	$0.71	85%	Similar location
4	**The Villas @ Desert Pointe**	1973	148	Studio	CL, ER, SP, J	600	$595	$0.99	1 Mo. Free with 12-mo. Lease	$545	$0.91		All typical amenities included
	895 Sierra Vista Drive		41	1/1	Sports Court, Playground	900	$705	0.78		$646	0.72		Lease terms of 3, 6, and 12 months
	Las Vegas, Nevada, 89109		158	2/2	BBQ Area, Laundry Room	1,100	$860	0.78		$788	0.72		Security Deposit $200 to $250
					Dishwasher, Refrigerator								Cleaning Fee $150 to $200
					MINI, CFL, CFM, CAB								$30 Application Fee
					PP, Storage, Carports								Pet deposit $400 ($200 non-refundable)
													Pets aloowed under 25 lbs.
													Similar location
			347			863	$729	$0.84		$729	$0.84	**70%**	
	Comp Set Minimum		**135**			**655**	**$589**	**$0.71**		**$589**	**$0.71**	**70%**	
	Comp Set Maximum		**347**			**1,219**	**$860**	**$0.90**		**$860**	**$0.90**	**97%**	
	Comp Set Average		**245**			**890**	**$707**	**$0.81**		**$708**	**$0.81**	**87%**	

KEY TO AMENITIES			**KEY TO FEATURES**	
SP-SWIMMING POOL	**CAB**-CABLE TV	**SEC**-SECURITY FENCE	**FP** - FIREPLACE	**WDC** - W/D CONNECTION
CL-CLUBHOUSE/ROOM	**MINI**-MINI BLINDS	**PLAY**-PLAYGROUND/BBQ GRILLS	**TH** - TOWNHOUSE/STUDIO	**WD** - WASHER/DRYER
J-JACUZZI	**PP**-PRIVATE PATIO/BALCONY	**ICE**-ICEMAKERS	**CFM** - CEILING FAN MASTER	**GT** - GARDEN TUB
TC-TENNIS COURTS	**SA**-SMOKE ALARM	**V**-VIDEO LIBRARY	**CFL** - CEILING FAN LIVING	**M** - MICROWAVE
HS-HIGH SPEED WWW	**ER**-EXERCISE ROOM	OTHER		

RENTAL COMPARABLE MAP



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RENT COMPARABLE SUMMARY							
Comp. No.	Project	Total Number of Units	Year Built	Average Unit Size (SF)	Average Monthly Rent per Unit	Average Monthly Rent PSF	Occupancy Rate
R-1	Maryland Park	135	1962	655	$589	$0.90	97%
R-2	Parkview Pointe	191	1972	821	$652	$0.79	96%
R-3	Rainwalk	305	1973	1,219	$860	$0.71	85%
R-4	The Villas @ Desert Pointe	347	1973	863	$729	$0.84	70%
	Average	**245**	**1970**	**890**	**$708**	**$0.81**	**87%**
Subject	**Barclay Square Apartments**	**191**	**1974**	**993**	**$890**	**$0.90**	**93%**

According to management, the typical tenant profile is Strip Resort Corridor workers whom are within a walking distance from their employment.

Within the past 2 years, the subject has indicated occupancy of 89 percent in 2005, and 93 percent in 2006, respectively. Occupancy levels among the comparables vary from 70 percent to 97 percent with an average of 87 percent. Rental Comparable 4 indicated occupancy of 70 percent. Based on our conversation with the manager of this property, this complex is gradually being converted into condominiums, with 1 building currently vacated.

Due to rapidly rising residential and land costs, few new apartment complexes have been built in the past 1.5 years. Since area population has continued to grow, this has created increased demand for existing units. Since the rental housing stock in not growing enough to meet demand, owners have been able to steadily increase their rents during the past year.

In addition to the lease rate, income is also derived from additional fees. At present, there is a pet fee of $30 per month. Only pets under 25 pounds are allowed. A $300 non-refundable security deposit is also required for each pet. There is a $250 security deposit and a $35 application fee charged for each unit. Additional income is derived from storage units at a rate of $80 per month, and garages at $125 per month. Approximately 9 units generate a premium of $50 per month due to a short month-to-month lease term. The tenants pay $21 per month for water and pay their own electricity. Landlord pays for sewer, water, garbage, and gas which covers all stoves, hot water, and fireplaces.

Of the rental comparables chosen, the vast majority of units are one-, and two-bedroom units, with the exception of Rental Comparable 3 which also contained 62 three-bedroom units. Our rental survey included a total of 978 units, of which one-bedroom units represented 56 percent, two-bedroom units represented 38 percent, and three-bedroom units represented 6 percent of the total unit mix. The average unit size was 890 square feet, compared to the subject's average size of 993 square feet per unit. The average price per month of all units is $708 per unit, or $0.81 per square foot, while the subject's rates are $890 per month and $0.90 per square foot. At $0.90 per square foot per month, the average quoted rental rate for the subject is approximately 12 percent above the neighborhood market rates but less than 1 percent above the Las Vegas Valley average rental rate of $882 per month. Approximately 80 percent, or 153 subject property's units, have been renovated since June 2005. The subject's amenities, which include gas fireplaces, large master bathrooms, ceramic tile floorings in bathrooms, cultured marble vanities in master bedrooms, 1-foot ceramic tile flooring in the kitchen area, microwaves, double stainless sink, GE dishwashers, washer and dryers, ceiling fans, and French doors to outside patios, are far superior to rental comparables located within its neighborhood. Approximately 9 percent of subject's units, which are the two-story townhouse units, feature attached 2-car garages. The subject's exterior amenities included tennis courts, an underground garage, 3 gated entrances, a swimming pool, a spa, and an elevator in the three-story building. In comparison, the rental comparables featured non-gated apartment communities with free-standing laundry facilities, swimming pools, carports, and interior amenities including predominantly cable TV connections, vertical blinds, refrigerators, and dishwashers. These amenities are typical for the subject's neighborhood. Based on our conversation with the managers of rental comparables used in our analysis, we have concluded that the subject property is far superior in comparison to other apartment complexes located within the subject's neighborhood area, mainly due to its superior quality of interior amenities of units which have been remodeled since the change of ownership in June of 2005. The subject property is professionally managed by Stout Management. The comparables utilized have an average reported physical occupancy at 87 percent. The subject is currently 93 percent occupied.

According to CB Richard Ellis, there were 2,190 condominium conversion sales during the first quarter of 2006, which accounted for 24.5 percent of the total home sale market in the Las Vegas Valley. Roughly 4,450 additional rental units will be converted for sale in 2006. As a result, rents have averaged $882 per month in the first quarter 2006 which represented a 2 percent increase from the previous quarter, and they are expected to climb another 6 to 8 percent before year's end. Landlords are offering fewer rent concessions and shorter leases due to their ability to raise rates. In our rental survey of 4 apartment properties, only the Villas @ Desert Pointe complex offered concessions of $100 up front off on any unit depending on the lease terms (minimum 12 mo. lease). Evidence over the past six months has shown concessions to be on the decline. Based on our conversations with leasing agents, most property management companies are phasing out concessions and expect concessions to abate as the result of improved occupancy levels. Spot concessions are used by management companies to fill excessive interim vacancies and are likely to remain in the market. Market wide long-term concessions are not forecasted because they tend to occur on a cyclical basis during times of increased vacancy. The subject is currently offering similar unit specific concessions. We do not believe concessions will continue in the long term.

Analysis of the comparably sized individual units on a per-square-foot basis indicates that the subject's average quoted rental rate is approximately 12 percent above the neighborhood market rates before adjustments, but less than 1 percent above the Las Vegas Valley average rental rate of $882 per month. Based on the superior amenities of the subject, its location, age and condition relative to the rent comparables, it is our opinion that the current quoted rental rates (as provided by the property manager) are within the upper range of quoted market rates for the rental comparables. All four rental comparables required adjustments of 5 to 15 percent for inferior age and condition, and 10 percent adjustments for inferior amenities. The adjusted quoted rental rates were $745, $789, $993, and $922, respectively.

The amount of actual contracts in place indicated the subject's physical occupancy of 93 percent is approximately 7 percent above the average occupancy of 87 percent of rental comparables used in our analysis. Overall, it appears that the subject's quoted rents are in line with today's Las Vegas Valley market rent levels.

Rental Rate Conclusion for the Subject Property

The previous chart shows the range of rental rates indicated by rent comparables for each unit type. In consideration of this information as well as the subject's performance as summarized below, our opinion of market rent and total potential apartment rental income assuming full occupancy is set forth as follows.

UNIT MIX										POTENTIAL RENTAL RATES							
No.	Plan	BR	BA	Features	No. Units	Unit (SF)	NRA (SF)	Units Leased	Actual Occupancy	Average Contract	$/SqFt	Quoted $/Month	$/SqFt	C&W YR.1 Forecast	$/SqFt	Potential Monthly Rent	Potential Annual Rent
1	D - Colonia	1	1 1/2		14	1,118	15,652	11	78.6%	$762	$0.68	$840	$0.75	$840	$0.75	$11,760	$141,120
2	Earl	1	1		1	510	510	1	100.0%	625	1.23	650	1.27	650	1.27	650	7,800
3	B - Churchill	1	1	2-Car Garages	18	724	13,032	17	94.4%	769	1.06	850	1.17	850	1.17	15,300	183,600
4	F - Dover	1	1		16	754	12,064	16	100.0%	689	0.91	765	1.01	765	1.01	12,240	146,880
5	JX - Montice	1+Den	1		6	1,039	6,234	5	83.3%	756	0.73	850	0.82	850	0.82	5,100	61,200
6	L - Nottingham	1+Den	1		3	1,037	3,111	3	100.0%	767	0.74	850	0.82	850	0.82	2,550	30,600
7	C - Wilshire	2	1		12	974	11,688	11	91.7%	841	0.86	840	0.86	840	0.86	10,080	120,960
8	G - Duke	1	1		18	768	13,824	18	100.0%	704	0.92	775	1.01	775	1.01	13,950	167,400
9	M - Duchess	1	1		4	928	3,712	4	100.0%	753	0.81	840	0.91	840	0.91	3,360	40,320
10	J - Victoria	2	2		30	1,100	33,000	28	93.3%	828	0.75	935	0.85	935	0.85	28,050	336,600
11	E - Buckley	2	2		16	1,107	17,712	16	100.0%	847	0.77	950	0.86	950	0.86	15,200	182,400
12	H - Grant Whitney	2+Den	2		9	1,267	11,403	9	100.0%	976	0.77	1,100	0.87	1,100	0.87	9,900	118,800
13	A - Buckingham	2+Den	2		4	1,272	5,088	4	100.0%	964	0.76	1,150	0.90	1,150	0.90	4,600	55,200
14	GX - Hampshire	2+Loft	2		40	1,065	42,600	34	85.0%	821	0.77	930	0.87	930	0.87	37,200	446,400
TOTAL/AVERAGE					191	**993**	189,630	177	**92.7%**	**$799**	**$0.80**	**$890**	**$0.90**	**$890**	**$0.90**	$169,940	$2,039,280

At $890 per unit per month, the quoted average rental rate for the subject falls above comparable property averages. Naturally, comparable statistics are skewed one way or another by the unit mix. Developments with larger units tend to rent at a lower average rate per square foot, while developments with a majority of smaller units tend to rent at a higher average rate per square foot. However, in the foregoing paragraphs we have analyzed the comparables and compared them to the subject on square foot basis.

Management indicated that typical rental rate increases are averaging about $50 to $150 per unit for renewals. Based on the superior amenities of the subject, its location, age and condition relative to the rent comparables, it is our opinion that the current quoted rental rates (as provided by the property manager) are within the upper range of quoted market rates for the rental comparables.

Estimate of Potential Unit Rental Income

The potential rental income for the subject property at our projected market rent for all unit types is $2,039,280 on an annualized basis. These figures reflect the subject as if fully occupied and collecting market rent for every unit. Further, the current in place contract rent for the subject is $0.80 per square foot, or $1,820,448 (as applied to all units, not just the occupied units). Given that our estimate is for the upcoming 12 months, this adds moderate support to our *potential* rental income forecast based upon our estimate of market rent for Year 1. We expect the market to further recover at inflationary levels.

<u>Loss or Gain to Lease Adjustment</u>

The subject has considered annual loss/gain adjustments in 2005 and 2006. This has ranged from 3.1 percent in 2005 to 1.09 percent in 2006 (annualized), indicating an overall decline in the annual loss adjustments. The owner’s 2006 budget indicated an estimated annual gain of $9,105. In our projection, we utilized 0.5 percent of potential gross income, or $10,000 in annual loss for this item.

<u>Month to Month Fees</u>

Our estimate of $2,400 is based on historical information and the owner’s 2006 budget.

<u>Employee Units</u>

The practice of non-revenue units or reduced rental rates for employees is common within the market area. The subject development provides a discount to onsite staff. At present, this includes a 20 percent discount for three of the onsite administrative staff. The amount of $4,850 was deducted from base rental revenue.

<u>Model Units</u>

The subject property does not feature any model units. Competitive developments in the area typically do not maintain model units.

<u>Prepaid/Delinquent</u>

Based on the historical data we were provided with, in 2005, the prepaid amount represented $86,525 (annualized) or 4.8 percent of adjusted rental income. In 2006, this amount represented $41,752 (annualized), or a decline of 52 percent in comparison to 2005. Based on our review of the subject’s historical information, this item included current month prepaid, current month delinquent, prior month prepaid and prior month delinquent data. It appears that the prepaid and the delinquent amounts are within a close range, almost canceling each other. The owner did not consider any amount for this line in 2006 budget. In our Year 1 forecast, we have not applied any amount for this item.

Vacancy and Collection Loss

Both the investor and the appraiser are primarily interested in the annual revenue an income property is likely to produce over a specified period of time, rather than the income it could produce if it were always 100 percent occupied and all tenants were paying their rent in full and on time. A normally prudent practice is to expect some income loss as tenants vacate, fail to pay rent, or pay their rent late.

The subject, as of the most current rent roll provided, was 92.67 percent occupied. This is approximately 6 percent higher than current average occupancy levels of 87 percent for the market area overall. According to 1st Quarter 2006 REIS Apartment Market Analysis, the subject's University submarket vacancy was 3.1 percent.

Rent comparable occupancies range from 70 percent to 97 percent. In terms of the subject we note that the economic vacancy during 2005 was 10 percent, and 7 percent in 2006 on annualized basis. According to the 2006 Owner's Budget, the owner has applied a rent loss due to vacancy of 5 percent.

In consideration of the above, we have forecasted a stabilized vacancy loss of 5.00 percent and a credit loss of 3.4 percent, or $70,000. The subject's 2005 credit loss indicated an amount of $82,722 or 4.5 percent. According to 2006 annualized data, the collection loss amounted to $50,392, or 2.7 percent, and the owner's 2006 budget indicated a collection loss of $19,091, or 1 percent of PGI. In our analysis, we have put more emphasis on the subject's 2005 and 2006 annualized data. Due to the socio-economic character of the neighborhood, the property has historically experienced higher than average collection losses. Although the new owners have made progress in their collections, we believe it will take some time to turnover delinquent tenants. For this reason, we believe a collection loss of 3.4 percent is appropriate for Year 1.

As previously noted, little new apartment stock is being constructed due to high land and construction costs. At the same time, there continues to be a strong influx of new residents to the area thus creating additional demand. Due to these factors, we anticipate the subject to continue to achieve its current strong occupancy level and growing rental revenue.

Rent Concessions

Rental incentives, usually in the form of free rent up front or prorated over the lease term, are common in some submarkets, particularly those with significant new construction activity. Due to construction activity levels and general high market occupancy, concessions in the subject's submarket are used only occasionally under current market conditions. The property manager reported that concessions are currently being offered on all models, although they have been used on and off at times during the past year. Rent concessions are typically being offered when a unit has sat vacant for several months and there is a large pool of available units of certain type. At present, $100 is being offered off the first month's rent on any model on either a 6-month and 12-month contract. Since at present, there are no concessions or very minimal in the Las Vegas market, we have not deducted any amount attributed to rent concessions to reflect market leasing parameters.

Other Adjustments

There were no other adjustments.

Other Income

In addition to rental income, we have confirmed several miscellaneous sources of income into a category called Other Income. This is a non-rental income category, which typically includes security deposit forfeitures, termination fees, miscellaneous and vending machine revenue, bad check charges, late charges, garage unit income, storage unit income, pet income, pet deposits, credit check fees, and the cleaning fees. Other income was reported at $33,405 in 2004, $98,332 in 2005 and $75,212 in 2006. It is projected to be $123,469 in the 2006 Owner's Budget. The difference is largely reflected due to the different ways the former and current owner recorded additional income in their balance sheets. We have relied upon both the market and the subject's historical levels. Our estimate is $123,500 or $647 per unit in Year 1, which is well supported.

Utility Recovery/RUBS

The property has a RUBS (resident utility billing system) reimbursement program that was also reflected in the historical income. The utility recovery reflected in 2006 (annualized) indicates the amount of $21 per unit. The property owner is receiving RUBS revenue for increases in water and sewer fees which are being passed onto the tenant. The RUBS revenue is market supported by comparable properties and has been considered in our foregoing selection of Year 1-rental rates. Most apartment properties that do not currently have a RUBS program are expected to implement one by the end of the year. Based largely on the historical level, our Year 1 estimate is $4,000 or $21 per unit.

Effective Gross Income

Considering all of the foregoing income and vacancy items, we have estimated a Year 1 effective gross income of $1,982,989.

Opinion of Expenses

We have developed an opinion of the property's annual operating expenses after reviewing its historical performance and reviewing the operating statements of similar buildings. We analyzed each item of expense and developed an opinion as to what a typical informed investor would consider normal.

Expense Comparables

Based on information provided, an operating history for the property and budget for the current year is presented at the beginning of this section. Presented on the following page is a summary of expense comparables from similar Las Vegas apartment complexes.

OPERATING EXPENSE COMPARABLES					
Property	**Size**	**Number of Units**	**Year**	**Operating Expenses/Unit**	**Expense Ratio**
3060 S. Decatur Blvd Las Vegas, NV	217,360	312	1979	$3,200	44.5%
2900 El Camino Las Vegas, NV	253,275	312	1979	$3,600	42.6%
3120 S. Wynn Road, Las Vegas, NV	108,120	126	1984	$2,569	33.4%
3225 S. Pecos Road, Las Vegas, NV	156,917	224	1983	$3,057	38.8%
401 N. 28th Street, Las Vegas, NV	139,072	158	1986	$3,225	40.4%
4775 Topaz Street Las Vegas, NV	223,268	270	1976	$3,500	43.2%
Survey Low				**$2,569**	**33.4%**
Survey High				**$3,600**	**44.5%**
Survey Average				**$3,192**	**40.5%**

Expense Conclusion

We analyzed each expense item and developed an opinion of a level of expense we believe a typical investor in a property like this would consider reasonable.

Our estimate of total expenses (including capital reserves for the subject property) total $736,317 or $3,855 per unit, or $3.88 per square foot of rentable area. These rates equate to an operating expense ratio of 37.13 percent in Year 1. The expense comparables in our analysis indicate a range of total expenses averaging $2,569 to $3,600 per unit. The expense ratio of 6 comparables ranged from 33.4 to 44.5 percent, averaging 40.5 percent. Based on the expense ratios of similar expense comparables, the subject's expense ratio of 37.13 percent falls within the middle range of expense comparables.

The subject's actual expenses in 2004 and 2005 were $2.97 and $3.08 per square foot or $2,947 and $3,059 per unit, respectively. In addition, the 2006 annualized expenses are $4.39 per square foot or $4,363 per unit. The 2006 (annualized) expenses indicate an expense ratio of 46.90 percent which is mainly attributed to the management fee of 8.09 percent which does not reflect the current market, which is typically 3 to 5 percent. Based on the owner's monthly income and expense statements provided to us, the management fees included additional monthly consulting fees of $3,000 and asset management fees ranging from $4,355 to $4,711 per month, averaging $4,486. In our Year 1 Proforma, we have applied a management fee of 4 percent which reflects the market.

Given the data suggested by the expense comparables, our knowledge of operating data of similar class apartment communities, as well as current trends in the property tax expense area, our expense projections are reasonable.

All of the comparable sales included unit replacements as a part of the annual operating and fixed expenses. As is the case with these sales, more and more investors include total interior and exterior replacements in their estimate of net operating income, which results in a capitalization rate that is a truer rate of return. Additional variations in capitalization rates are a function of property specifics, including variances in the age, condition, and quality of each comparable.

OPERATING EXPENSE CONCLUSION

Expense	C&W Forecast	Per Unit	Per SqFt	Analysis
Management Fee	$79,320	$415	$0.42	The management fee represented 3.21%, 8.13%, and 7.85% of EGI in 2004, 2005 and 2006. The management fee of 7.85%, which does not reflect the market, included an additional amount of $7,480 per month consisting of consulting fee of $3,000 per month, and owners' draw averaging $4,479 per month. Market management fees typically range from 2-4% of EGI depending upon complex size. We have concluded management fee of 4.0%, or $77,320, which seems reasonable and appropriate for a complex of this size and age.
Total Payroll & Burden	$185,000	$969	$0.98	Total Payroll & Burden increased by 65 percent from 2004 to 2005, and by 122 percent from 2005 to 2006 on annulized basis. The differences can be partially accounted for by the change of ownership in 6/05. We concluded at $185,000 in Year 1 projections for this item.
General & Administrative	$13,000	$68	$0.07	On a per unit basis, admin expenses have been $68, $300, and $152 for 2004, and 2005, 2006 annulized. The owner budgeted $67 per unit in 2006. We have projected admin to be $68 per unit in 2006, based on historicals and the owner's budget.
Marketing & Promotion	$25,000	$131	$0.13	Our estimate of $25,000 is based on subject's historical data. This includes a monthly advertisement in the ForRent.com publication and websites.
Maintenance & Repairs	$67,000	$351	$0.35	We have estimated Maintenance & Repairs based on historicals and owner's 2006 budget expense. Most maintenance, repairs, and vacant apartment cleaning is performed by staff.
Contract Services	$19,200	$101	$0.10	Our estimate is based on the owner's 2006 budget and 2005 annulized historical expense. Contract services include pool maintenance and landscaping.
Utilities	$154,500	$809	$0.81	Total utilities have steadily increased for the past three years from $0.68 in 2004 to $0.75 per square foot in 2005. Our estimate is based on the 2006 owner's budget of $0.81 per square foot.
Insurance	$45,790	$240	$0.24	Our estimate is based on the current contract expense of about $0.24 per square foot per year. This is based on comparable projects and discussions with area property managers and market participants.
Licenses & Permits	$2,900	$15	$0.02	Our estimate is based on the historical expense of about $0.02 per square foot per year.
Real Estate Taxes	$77,757	$407	$0.41	Real estate taxes have risen steadily since 2004. A complete discussion of the taxes is included in the Real Property Tax and Assessments section of this report. We utilized actual 2006 taxes in our projection.
Replacement Reserves	$66,850	$350	$0.35	Replacement reserves were included to replace long-lived items. We have selected a level of $350 per unit which is consistent with our review of operating data at other Las Vegas complexes of similar age. Due to the age of the subject, we anticipate additional unit renovations, roof repairs, and HVAC unit replacements.

Income and Expense Summary

We have discussed our projections of income and expenses for the subject property. On the following chart we present our opinion of stabilized income and expenses for year 1.

YEAR 1 " PRO FORMA"				
POTENTIAL GROSS INCOME		**$/Year**	**$/Unit**	**$/SF**
Gross Potential Rental Income		$2,039,280	$10,677	$10.75
Loss/Gain to Lease		(10,000)	(52)	(0.05)
Adjusted Rental Income		$2,029,280	$10,625	$10.70
Month to Month Fees		$2,400	13	0.01
Less: Employee Unit Discounts	-$404/Mo.	(4,850)	(25)	(0.03)
Less: Model Units	$0/Mo.	0	0	0.00
Total Rental Revenue		$2,026,830	$10,612	$10.69
Vacancy & Credit Loss				
Vacancy	5.00%	($101,342)	($531)	($0.53)
Credit Loss		(70,000)	(366)	(0.37)
Rent Concessions		0	0	0.00
Total Vacancy & Credit		($171,342)	($897)	($0.90)
Other Income				
Other Income		$123,500	$647	$0.65
RUBS		4,000	$21	$0.02
Total Other Income		$127,500	$668	$0.67
EFFECTIVE GROSS INCOME		$1,982,989	$10,382	$10.46
OPERATING EXPENSES				
Management Fee	4.00%	$79,320	$415	$0.42
Total Payroll & Burden		185,000	969	0.98
General & Administrative		13,000	68	0.07
Marketing Promotion		25,000	131	0.13
Maint. & Repairs		67,000	351	0.35
Contract Services		19,200	101	0.10
Utilities		154,500	809	0.81
Insurance		45,790	240	0.24
Licenses & Permits		2,900	15	0.02
Real Estate Taxes		77,757	407	0.41
Replacement Reserves		66,850	350	0.35
Total Operating Expenses		$736,317	$3,855	$3.88
NET OPERATING INCOME		$1,246,672	$6,527	$6.57

Investor Surveys

Prior to discussing the capitalization of income into value, we have summarized the most currently available investor survey results as follows:

This will be referenced in the balance of the Income Capitalization Approach in this report as it represents a portrayal of current investor requirements.

Going-In Capitalization Rate

The overall capitalization rates derived from the improved property sales are as follows.

GARDEN STYLE APARTMENTS INVESTOR CRITERIA		Korpacz National 2006Q1		C&W Class C Leased (1) Fall 2005	
		Range	Average	Range	Average
Projected Holding Period (Years)	Low	1	7		
	High	10	9		
Rent Growth	Low	-2.0%	2.6%	2.8%	2.8%
	High	7.0%		3.8%	3.3%
Expense Growth	Low	2.0%	2.8%		3.7%
	High	3.5%			
Total Reserves (Per Unit)	Low	$150	$275		
	High	$400			
Sale Costs	Low	1.0%	1.8%		
	High	3.0%	2.3%		
Going-In Capitalization Rate	Low	4.3%	6.1%	5.0%	5.6%
	High	8.0%		7.3%	7.1%
Terminal Capitalization Rate	Low	5.5%	7.3%	6.5%	6.5%
	High	9.0%		8.9%	7.7%
Internal Rate of Return	Low	6.0%	8.9%	7.0%	8.3%
	High	13.0%	9.1%	11.3%	10.2%
Marketing Time (Months)	Low	1	5.69		
	High	12			

Sources:

(1) Cushman & Wakefield, Valuation Advisory Services, National Investor Survey Fall 2005

Note:

(1) The averages indicated reflect the average low and high investor response.

CAPITALIZATION RATE SUMMARY					
No.	Property Name	Date of Sale	Year Built	Occupancy	Capitalization Rate
1	The Pine Apartments	Apr-06	1979	95.00%	5.13%
2	Sahara Palms Apartments	Mar-05	1979	93.00%	6.19%
3	Wagon Trails Apartments	Mar-06	1983	93.00%	6.09%
4	Elmwood Villas	Apr-06	1986	95.00%	5.79%
5	Toscana Villas	Feb-06	1976	95.00%	4.95%
6	Sonterra Apartments	Feb-06	1975	95.00%	4.96%
7	Newport Cove Apartments	Mar-05	1984	N/A	6.10%
Low					4.95%
High					6.19%
Average					5.80%

Based upon our discussions with market participants and a review of the latest apartment listings, it appears that going-in cap rates for apartment may be starting to go up. According to the February 2006 edition of *Apartment Capital Trends Monthly* published by Real Estate Analytics, the number of apartment listings nationwide has increased 65 percent in January 2006 although the pace of acquisitions has slowed. Sales of major apartment properties slowed 22 percent in January 2006 versus January 2005. Lenders are tightening up on new loans to condo converters.

While there are indications that cap rates might be on the rise again, cap rates for large Class C projects continue to remain low. The lowest cap rate was Sale 5 at 4.95 percent, while the highest was Sale 2 at 6.19 percent. Currently there is very little multifamily product available for sale in the market. In 2004 and 2005, a number of projects were sold to condo converters. Due to high land costs, many developers cannot replace their projects if they did sell them and are holding onto them while increasing lease rates and enjoying strong occupancies. Our discussions with apartment sales brokers indicated that a reasonable cap rate for the subject is between 5.5 and 8.0 percent. Due to the age and condition of the subject property, we have concluded at a rate of 7.25 percent.

In addition, we have considered the foregoing Investor Surveys published by Korpacz and Cushman & Wakefield, Inc. for competitive apartment properties. Our observations and analysis suggest that a going-in capitalization rate of 7.25 percent represents reasonable investor criteria under current market conditions.

Direct Capitalization Method Conclusion

In the Direct Capitalization Method, we developed an opinion of market value by dividing year 1 net operating income by a 7.25 percent overall capitalization rate. Our conclusion via the Direct Capitalization Method is as follows:

DIRECT CAPITALIZATION METHOD				
Net Operating Income	**$1,246,672**			
Sensitivity Analysis (0.50% OAR Spread)	**Value**	**Rounded to Nearest $25,000**	**$/Unit**	**$/SqFt**
Based on Low-Range of 6.75%	$18,469,214	$18,475,000	$96,697	$97.40
Based on Most Probable Range of 7.25%	$17,195,475	$17,200,000	$90,029	$90.68
Based on High-Range of 7.75%	$16,086,090	$16,075,000	$84,220	$84.83
Reconciled Stabilized Value	$17,195,475	$17,200,000	$90,029	$90.68
Less: Rent Loss	$0		$0	$0.00
Less: Deferred Maintenance	0		$0	$0.00
Indicated As Is Value	$17,195,475	$17,200,000	$90,029	$90.68

Since the subject is a typical apartment property with normal tenant characteristics, we have placed reliance on the Direct Capitalization Method. This method is relied upon most by investors in this asset class.

Therefore, our opinion of market value via the Income Capitalization Approach is as follows:

SEVENTEEN MILLION TWO HUNDRED THOUSAND DOLLARS

$17,200,000

Valuation Methodology Review and Reconciliation

This appraisal employs all three typical approaches to value: the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that due to the age and condition of the subject property, only the Sales and Income Approaches would be considered meaningful and applicable in developing a credible value conclusion.

The approaches indicated the following:

Cost Approach:	$13,010,000
Sales Comparison Approach:	$17,800,000
Income Capitalization Approach:	$17,200,000

We have given most weight to the Sales Comparison Approach and the Income Capitalization Approach because these mirror the methodologies most frequently used by purchasers of this property type. Although not applicable, the Cost Approach was performed upon client's request.

Based on our Complete Appraisal as defined by the *Uniform Standards of Professional Appraisal Practice*, we have developed an opinion that the "as is" market value of the Fee Simple estate of the referenced property, subject to the assumptions, limiting conditions, certifications, and definitions, on April 6, 2006 was:

SEVENTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS

$17,500,000

The implied "going in" capitalization rate is 6.71 percent. The overall capitalization rates derived from the improved property sales are between 4.95 percent and 6.19 percent, averaging 5.80 percent. The implied going-in capitalization rate is in line with going-in capitalization rates indicated by the sales and the most recent Investor Surveys.

At the Client's request, we have provided an insurable value estimate. The estimate is based on figures derived from a national cost estimating service and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, we make no warranties regarding the accuracy of this estimate.

INSURABLE VALUE		
Adjusted Base Cost		$10,566,702
Less: Insurance Exclusions		
Foundations Below Grade	2.50%	
Piping Below Grade (Negligible)	0.00%	
Architect Fees	2.50%	
Total Insurance Exclusion Adjustment	5.00%	($528,335)
Insurable Value		**$10,038,367**
Rounded to nearest $10,000		**$10,040,000**

Source: Marshall Valuation Service

Insurable Value is directly related to the portion of the real estate that is covered under the asset's insurance policy. We have based this opinion on the building's replacement cost new (RCN) which has no direct correlation with its actual market value.

We developed an opinion of replacement cost new by using the Calculator Cost Method developed by Marshall Valuation Service, a nationally recognized cost estimating company, which estimates construction costs for all types of improvements. Marshall Valuation Service revises its cost factors monthly and adjusts them to reflect regional and local cost variations.

The replacement cost new is the total construction cost of a new building built using modern technology, materials, standards and design, but built to the same specifications of and with the same utility as the building being appraised. For insurance purposes, replacement cost new includes all direct costs necessary to construct the building improvements. Items that are not considered include land value, site improvements, indirect costs, accrued depreciation and entrepreneurial profit. To develop an opinion of insurable value, exclusions for below-grade foundations and architectural fees must be deducted from replacement cost new.

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"C&W" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of C&W who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

1. No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.

2. The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor C&W shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of C&W any inaccuracies or errors that it believes are contained in the Report.

3. The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions.

4. The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of C&W is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without C&W's prior written consent.

   Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by C&W in writing to use or rely thereon, hereby agrees to indemnify and hold C&W, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).

5. Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.

6. The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.

7. The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. C&W assumes no responsibility for the soundness of structural members or for the condition of mechanical equipment, plumbing or electrical components.

8. The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. C&W recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

9. The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and C&W make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.

10. Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. C&W recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.

11. Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. C&W recommends that an expert in this field be employed.

12. If the Report is submitted to a lender or investor with the prior approval of C&W, such party should consider this Report as only one factor together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.

13. In the event of a claim against C&W or its affiliates or their respective officers or employees or the Appraisers in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by C&W or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.

14. If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and C&W, its employees and the Appraiser have no liability to such recipients. C&W disclaims any and all liability to any party other than the party that retained C&W to prepare the Report.

15. At the Client's request, we have provided an insurable value estimate. The estimate is based on figures derived from a national cost estimating service and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, we make no warranties regarding the accuracy of this estimate.

16. By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

Extraordinary Assumptions

An extraordinary assumption is defined by the *USPAP* (2005 Edition, The Appraisal Foundation) as “an assumption, directly related to a specific assignment, 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.”

This appraisal employs no extraordinary assumptions.

Hypothetical Conditions

A hypothetical condition is defined by the *USPAP* (2005 Edition, The Appraisal Foundation) as “that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions 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.”

This appraisal employs no hypothetical conditions.

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We 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.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our 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.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
8. William J. Acton, MAI made a personal inspection of the property that is the subject of this report.
9. Eva Zupkova provided significant real property appraisal assistance to the persons signing this report.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, I William J. Acton, MAI have completed the continuing education program of the Appraisal Institute.

William J Acton

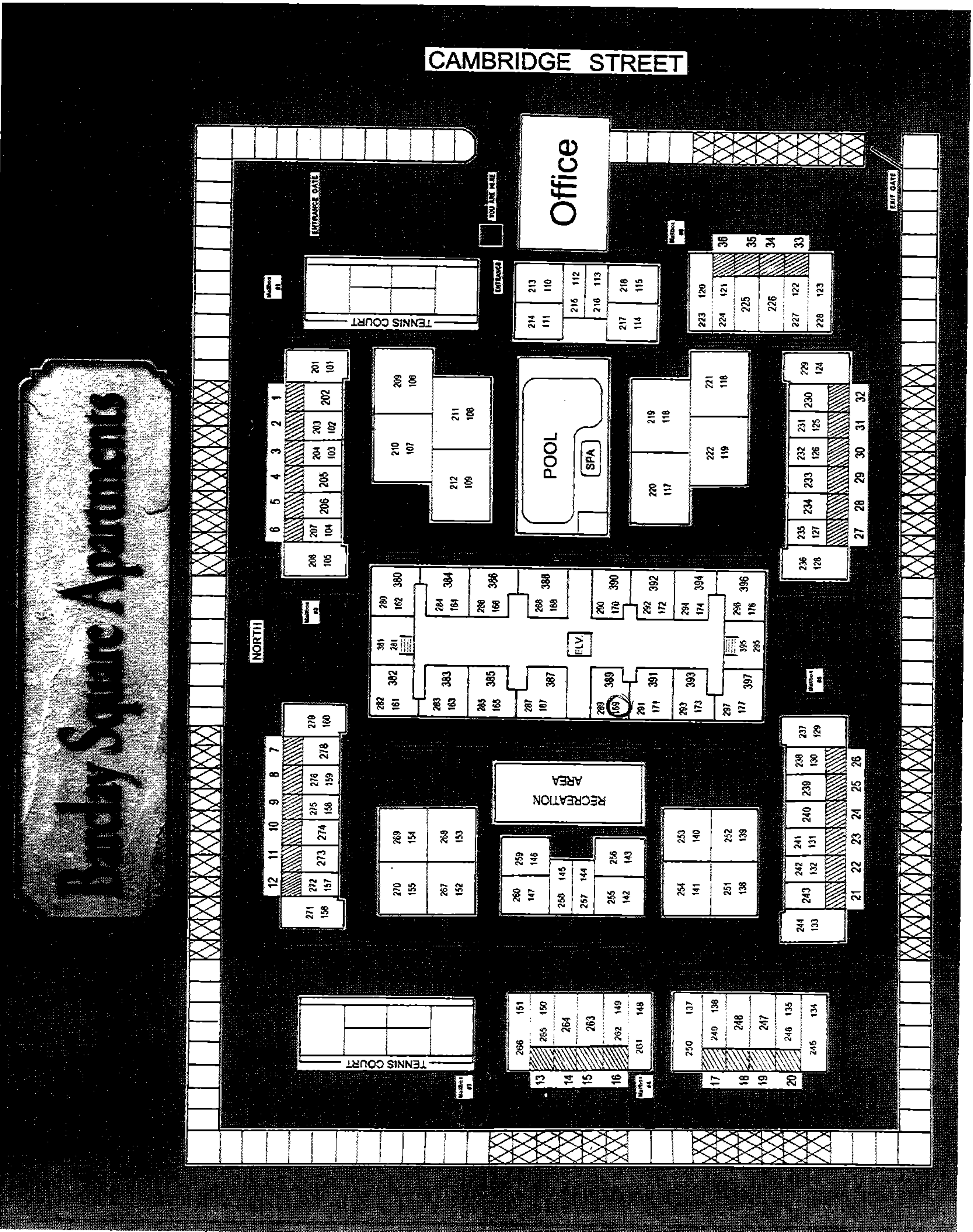
William J. Acton, MAI
Associate Director
Nevada Certified General Appraiser
License No. A.0004292-CG
bill_acton@cushwake.com
702.691.2802 Office Direct
702.796.7920 Fax

Addenda Contents

ADDENDUM A:	Legal Description
ADDENDUM B:	Site Map
ADDENDUM C:	Qualifications of the Appraisers

Legal Description of Parcel Number: 162-15-610-001

Parcel No. 162-15-610-001 is bounded and described as follows: All units, common areas, and private drives as shown on the Amended Plat of Barclay Square (a condominium), located in the South Half (S ½) of the Northeast Quarter (NE ¼), Township 21 South, Range 61 East of M.D.M., as shown by map thereof on file in Book 28 of Plats, page 15, as recorded in the Clark County Recorder's office, Nevada.


CAMBRIDGE STREET
Office
ENTRANCE GATE
EXIT GATE
YOU ARE HERE
ENTRANCE
TENNIS COURT
POOL
SPA
ELV.
NORTH
RECREATION AREA
TENNIS COURT
Barclay Square Apartments

PROFESSIONAL QUALIFICATIONS

William J. Acton, MAI

Associate Director, Valuation Services – Capital Markets Group

Mr. Acton entered the real estate business in 1983 and was initially employed by Property Development Resources as a project manager/consultant. In 1985 he joined Greenberg Chin and Associates, Inc. as an associate consultant/appraiser. In 1988 he became chief appraiser for Pima County Transportation Department, Property Management Division. In 1992, Mr. Acton formed his own appraisal business, Acton Valuation Group, Inc. He joined Restrepo Consulting LLC in 2002 as lead appraiser.

Joined Cushman & Wakefield, Inc. in March 2004, as a real estate appraiser for Valuation Services, Advisory Group in Las Vegas.

Experience

Appraisal and consulting assignments have included agricultural, commercial, golf courses, industrial, master-planned communities, high-rise residential, gaming and lodging properties, multi-family residential, office, residential, and special purpose properties. Geographic areas of properties appraised include Arizona, Nevada and California, and has performed a broad range of real estate analyses for a variety of lenders, developers, and government agencies throughout the Southwest. He has performed valuation assignments for numerous major corporations, real estate investment trusts, attorneys, local public and state agencies, and Federal government agencies. He has also served as a commercial and litigation appraisal instructor both in the United States and abroad. Qualified as an expert witness in Arizona and Nevada. Extensive experience in valuation of real estate portfolio for institutional clients.

Education

Bachelor of Arts, Political Science and Economics/Management, Minor: Urban Planning; Albion College, 1980

Extended Graduate Studies – Management Information Systems, University of Arizona, 1981-83

Appraisal Education

Successfully completed all courses and experience requirements to qualify for the MAI designation. Also, he has completed the requirements of the continuing education program of the Appraisal Institute.

Memberships, Licenses and Professional Affiliations

- Member, Appraisal Institute – MAI (Certificate No. 9419, certified through 12/31/07)

Mr. Acton is certified in the following states:
Arizona Certified General Real Estate Appraiser, No. 30233, expiring August 31, 2006
Nevada Certified General Real Estate Appraiser, No. A.0004292-CG, expiring August 31, 2006