The BLUE

on 12th Street

2012

Executive Summary – JV Equity Investment

148 Class A Apartments

11 South 12th Street
Phoenix, Arizona

CONFIDENTIAL

Cindy Hammond

John Burton

Churchill Commercial Capital

2/28/2012

Executive Summary

Joint Venture Equity Request:	New Construction / Class A TOD Rental Apartment Property
Amount:	$6,110,000 Equity Partner (82.5%) $1,300,000 Developer (17.5%) $7,410,000 Total Equity (100%)
Equity/Unit:	$41,284 Equity Partner $8,784 Developer $50,068 Total Equity
Equity/NRSF:	$48
Leveraged IRR:	26.4% (21.9% - JV Partner, 37.6% - Developer)
Unleveraged IRR:	10.1%
Allocations:	Cash flow and excess debt proceeds distributed on a pari-passu basis until JV Partners return equals 20%, then a 50/50 split between JV Partner and Developer.
Leverage:	Construction - 62% LTV, 1.42 DCR, Loan to Cost 70% (DCR based on the Construction loan of $17,290,000 and 5.5% interest Rate). A permanent agency loan of $23,325,000 (75% of year 4 Value) is projected at a rate of 6% in year 4. The anticipated excess proceeds of $5,944,475 will be allocated to the parties on a pari-passu basis.
Term:	10 years for the JV. Construction loan term of 3 years construction / stabilization plus 2 Years mini- permanent if needed, to be taken out by a 10 year agency loan at 75% LTV.
Use of Funds:	Pay a portion of the $24.7 million construction costs.

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Construction Loan with Mini-Perm Option:

Amount:	$17,290,000 ($116,824/unit, $112/NRSF)
Leverage:	62% LTV, 1.42 DCR, Loan to Cost 70% (DCR based on 5.5%)
Term:	3 years construction / stabilization plus 2 Years mini- permanent.
Amortization:	Interest only during construction, 30 years on mini-perm.
Rate:	Best Available. Fixed after construction.
Recourse:	Limited requested excluding carve-outs. The JV partner will need to assist in credit support for the construction dent. Construction will use a fully bonded contract or bonded major subcontractors.
Use of Funds:	Pay a portion of the $24.7 million construction costs.

Permanent Agency Debt:

Amount:	$23,325,000 ($157,601/unit, $151/SF)
Leverage:	75% LTV, 1.20 DCR, (DCR based on 6.0%)
Term:	10 years.
Amortization:	30 years or longest amortization available.
Rate:	Best Available – assumed 6% for this illustration.
Recourse:	Limited requested excluding carve-outs.
Use of Funds:	Retire Construction loan and distribute capital to partners.

The Blue

The Blue is a proposed 148-unit Class A elevatored mid-rise style apartment complex over a single story parking garage situated on the east side of 12th Street between Washington and Jefferson Streets and the east and westbound lines of the Metro light rail system in the Presidential District one rail stop east of downtown Phoenix, Arizona. The Blue will cover the entire block between Washington Street and Jefferson Street. The project will include a swimming pool, spa, public space, fitness center, business center, barbecue areas, and approximately 220 parking spaces in a single story transportation oriented development garage and adjacent covered surface parking.

- ***151,000 Employees within a 5 mile radius***
- ***Only 1,214 Class A units in the Submarket***
- ***All of the Class A units are older projects***
- ***Six of the Top Ten Employers are within 15 minutes***

The project will feature two office/restaurant spaces totaling 4,289 SF as well as distinctive architecture and dramatic views of both downtown Phoenix and Tempe. The project will include 112 one bedroom / one-bath units with 893 SF to 965 SF; 28 two bedroom / 2 bath units that range from 1,301 SF to 1,344 SF; and 8 1,476 SF 3 bedroom / 2 bath units.

The Blue will represent the only new Class A product in the heart of the Presidential District of Central City Phoenix – one of Phoenix's strongest submarkets. There are currently only 1,214 Class A apartment units in downtown Phoenix and they currently have less than 4% in vacancy.

There is strong evidence supporting a need for additional downtown apartment units. More than 151,000 employees work in downtown every day. The Blue will also have a direct connection via light rail to the more than 10,000 workers at the Arizona State University campuses in Tempe and in downtown Phoenix, as well as to the University of Arizona University Medical School campus 1.5 miles away.

The project's proximity to Phoenix's major transportation arteries also makes the apartments ideal for residents who work outside of downtown but prefer an urban environment – six of Phoenix's top 10 employers are within 15 minutes of The Blue.

The Blue will sit on approximately 3.1 gross acres (88,000 SF net) on the east side of 12th Street between the two light rail stops on Washington Street and Jefferson Street. The project will be developed into an urban four-story apartment building with 150 units over a single story limited access garage. Amenities will include:

• Innovative, Modern Design	• Sustainable LEED Design
• Views of Downtown	• TOD Oriented Design
• Pool & Spa	• Fitness Center and Business Center
• Social Spaces and Deck	• Ample On-Site Storage
• Integrated Parking Garage	• Secure Bicycle Parking
• Class A Kitchen Appliances	• Controlled Access – Garage / Elevators / Entries

The Blue

The Blue is located in the Presidential District, one light rail stop east of downtown Phoenix at the corner of 12th Street and Jefferson and Washington Streets. Downtown Phoenix is emerging as a vital urban center with the light rail as a dominant force. Alongside the government buildings and corporate headquarters, downtown houses some of Phoenix's best restaurants and top cultural and entertainment venues – all within easy walking distance of The Blue.

The distinguishing factors that will mitigate risk and contribute to a successful project include:

- ✓ Phoenix's only quality urban style sustainable apartment design
- ✓ Projected rents based on current rents of existing projects with a tremendous upside through income growth
- ✓ A truly unique lifestyle - the only true walkable neighborhood with direct access to work, recreation, and the top restaurants and entertainment in Downtown Phoenix
- ✓ Demographic shifts fully support walkable, transit-oriented housing
- ✓ Significant pent-up demand with little existing direct competition within eight miles
- ✓ Direct access via the light rail to:
    - o ASU Main Campus
    - o ASU Downtown Campus
    - o University of Arizona College of Medicine - Phoenix
    - o T-Gen Biomedical Labs
    - o City Center Office Buildings
    - o Chase Field – Arizona Diamondbacks
    - o US Airways Arena – Phoenix Suns
    - o Phoenix Children's Museum
    - o Phoenix Convention Center and Civic Center
    - o Phoenix Symphony Hall
    - o Orpheum Theatre
    - o City Hall and Municipal, State & Federal Courts
    - o

- o Comerica Theatre
- o CityScape
- o Arizona Science Center
- o Heritage and Science Park

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Project Overview

The Blue is central Phoenix's first new Class A rental residence in over 3 years. The project is one light rail stop east of the downtown area on the east side of 12th Street between Jefferson and Washington Streets. Phoenix's downtown has been undergoing a renaissance in redevelopment with the highest concentration of jobs in the region, the center of Phoenix's culture and has become Phoenix's high-end restaurant and entertainment destination.

> There are only 1,214 Class A apartment residences in downtown Phoenix —

The Blue is near the Phoenix Convention Center and Symphony Hall, the US Airways Arena (Phoenix Suns), Chase Field (Arizona Diamondbacks), Comerica Theatre, Arizona Science Museum, and the Orpheum Theatre and within walking distance of all of downtown Phoenix's places of employment. It is directly on both the east and west bound stops for the new light rail (which connects the downtown Phoenix campuses of the University of Arizona Medical School, ASU's Walter Cronkite School of Journalism, the Phoenix School of Law, T-Gen Biomedical Labs, and the Arizona School for the Arts with Arizona State University's main campus in Tempe) and is within walking distance of Jackson Street restaurant and Copper Square entertainment district. It is within blocks of downtown Phoenix's on/off interchanges with 1-10 and within a short drive time of Phoenix's major employment centers.

There are less than 1,214 Class A apartment residences in downtown Phoenix and they achieve the highest rents per square foot in Phoenix, and there are few vacancies.

Project Scope

Given the rebirth of downtown and the pent-up demand for housing, the highest and best use for the property has evolved to be a high-density residential development site.

The Blue project is the first redevelopment of this important site in the Presidential District. This first phase of The Blue is a development project to produce 148 new Class A rental apartment residences over a single level TOD oriented parking structure containing 220 spaces. Future Presidential District Phases will encompass approximately 800 more units over several additional sites located within 1 to 3 blocks of The Blue, which are controlled by the developer of the Blue.

Residence Design

The 1.97 net acre site will be developed by demolishing the existing office/commercial complex and building a new four-story building. Parking will be available in a 189-car garage and covered surface parking. The garage will be a one-story structure directly connected to the units via three elevators. The building, designed by one of Phoenix's leading architects, Kristjan Sigurdsson of K&I Homes, LLC, will be an iconic structure.

According to much of the recent residential housing research, the number of Americans who will choose to rent rather than own in the next 10 to 20 years will increase significantly. Over the last several decades, the population has increased in ways that reflect aging demographics, specifically seniors and households without children. These two categories have shown themselves to be the least likely to buy a single family home and are seeking smaller housing units with lower to no commutes instead of the traditional single family home.

We have defined the target market for The Blue to include:

- Gen X and Y singles and couples earning the median income or above
- Recently divorced singles
- Baby boomers and seniors, moving out of larger single family homes.
- Upper class single and married students at ASU and the UA Medical School

Amenities for The Blue will be targeted to the preferences of this cohort of the population. A survey of potential downtown residents helped define the amenity package including:

- Pool/spa
- Several social spaces, including units with city views
- Sustainable design
- Controlled Access
- Convenient parking
- Fitness center and Business Center
- Adjacent restaurant (possibly bicycle-related)
- Ample storage, including secure bike parking

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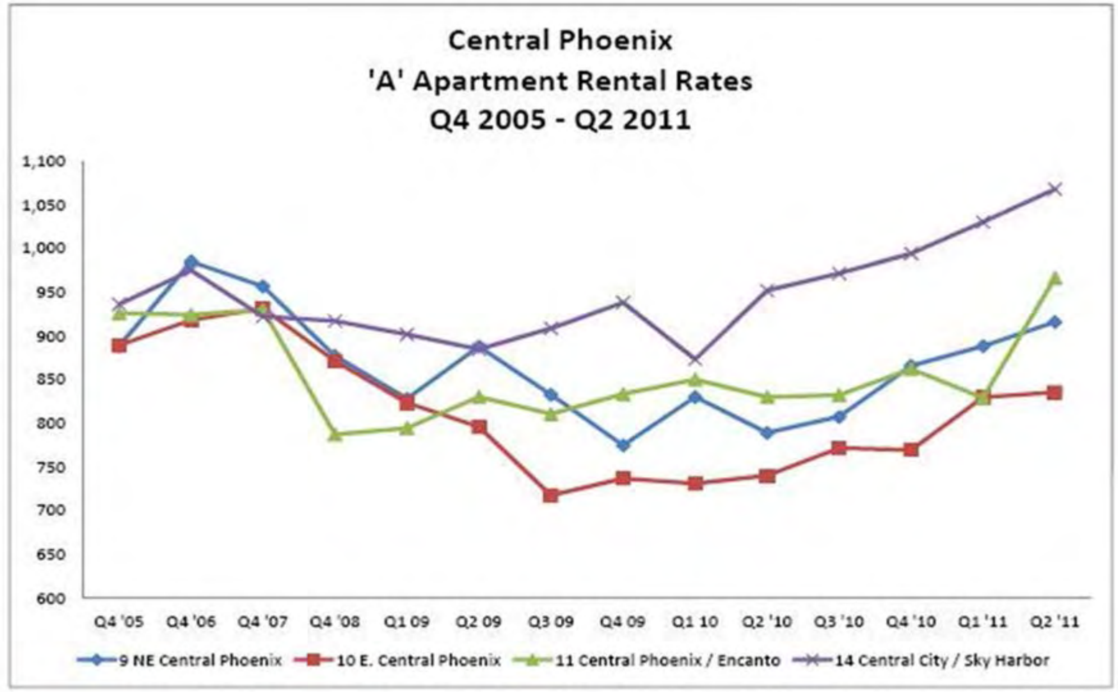
Market Analysis

Overview

The Blue will represent one of the few new Class A products in all of Phoenix and the only new Class A product in the Central City/Sky Harbor market - one of Phoenix's strongest Class A submarkets (see chart to right). This analysis defines the market, identifies existing comps, addresses the potential depth of the market, and forecasts the rents that will be available when the property opens in 2Q 2013.



Central Phoenix has a limited number of apartment projects (11 containing 1,676 units) and few of which are considered Class A product (4 totaling 1,214 units). The demand for units in these existing projects is so high that there are few vacancies in the market. In our early July survey, there was a waiting list for certain unit types at most properties. Central Phoenix is surrounded by neighborhoods made up primarily of older single-family homes and a few small infill apartment buildings.

Beyond the immediate neighborhood is the Copper Square district. Neighborhoods in this district are primarily made up of single-family homes and condominiums, many of which have been converted into rental units. The vacancy in this district is also extremely low and is less than 4% at this time.

- ✓ Limited Competition – Only 1,676 Units – 1,214 Class A in 4 Projects
- ✓ Most Competition is 5 to 6 Years Old or Older
- ✓ On the Metro Light Rail Line
- ✓ Extensive Demand Generators

The broader apartment market within the Phoenix MSA has had virtually no new Class A apartment construction for several years. As a result, the limited number of apartments classified as Class A is mostly 5-6 years old or older.

Phoenix's housing market has been driven for the past decade by the single family housing industry. Across the country, houses were built and sold to willing buyers without substantial consideration given to the ability of the buyers to support their mortgages. Many of these were apartment renters and as a result, the apartment market softened, and very few new units were built.

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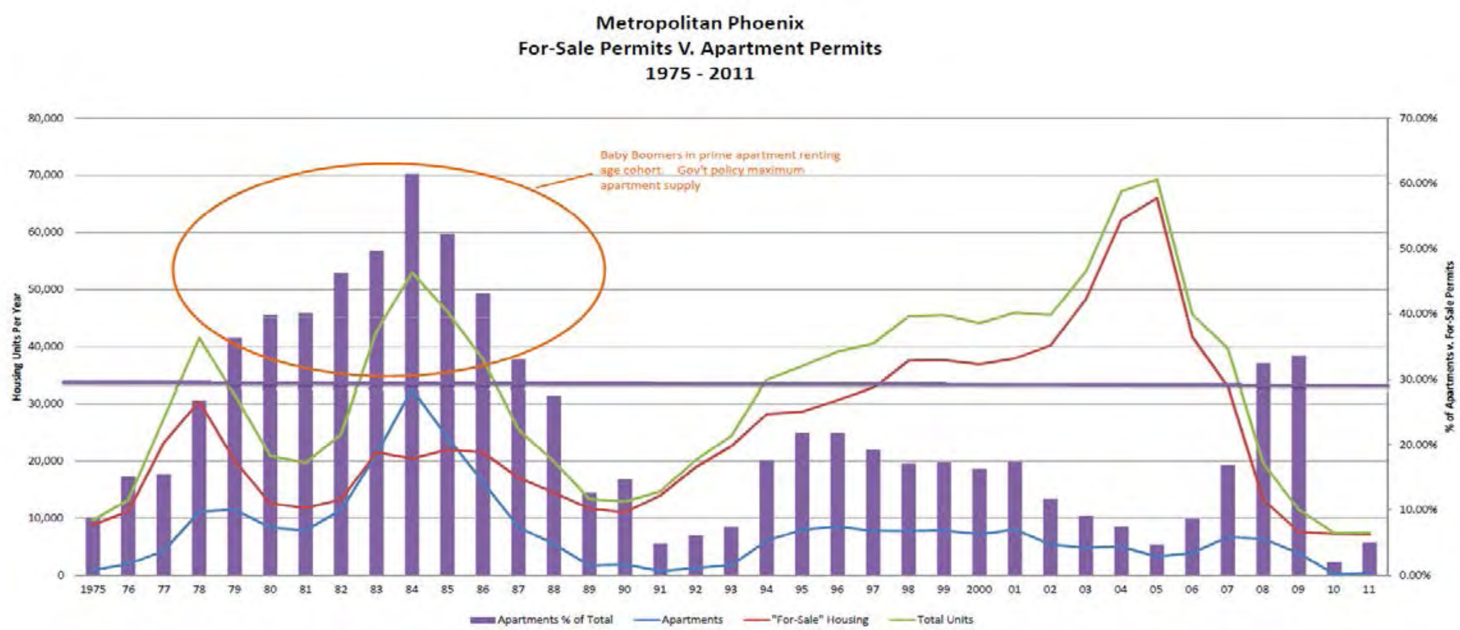
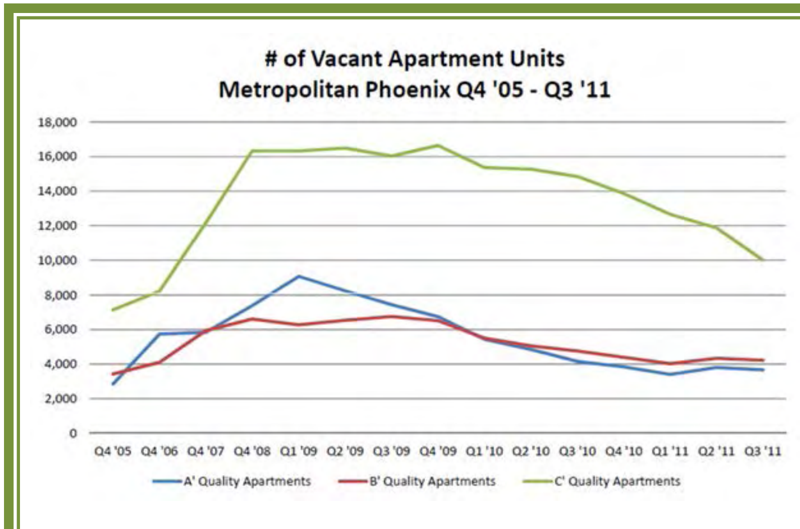


With the recent financial crisis, a significant number of previous homeowners have returned to the apartment market. Young people entering the market are less likely to acquire single family homes, and are more likely to be renters. In addition, there is a notable segment of the market that prefers to live in an urban environment, rather than in a single family house further out in the suburbs. Finally, the upper class and married students at the University of Arizona Medical School and the ASU Walter Cronkite School of Journalism represent another portion of the market. Married students in particular represent an opportunity, as neither university provides married student housing.

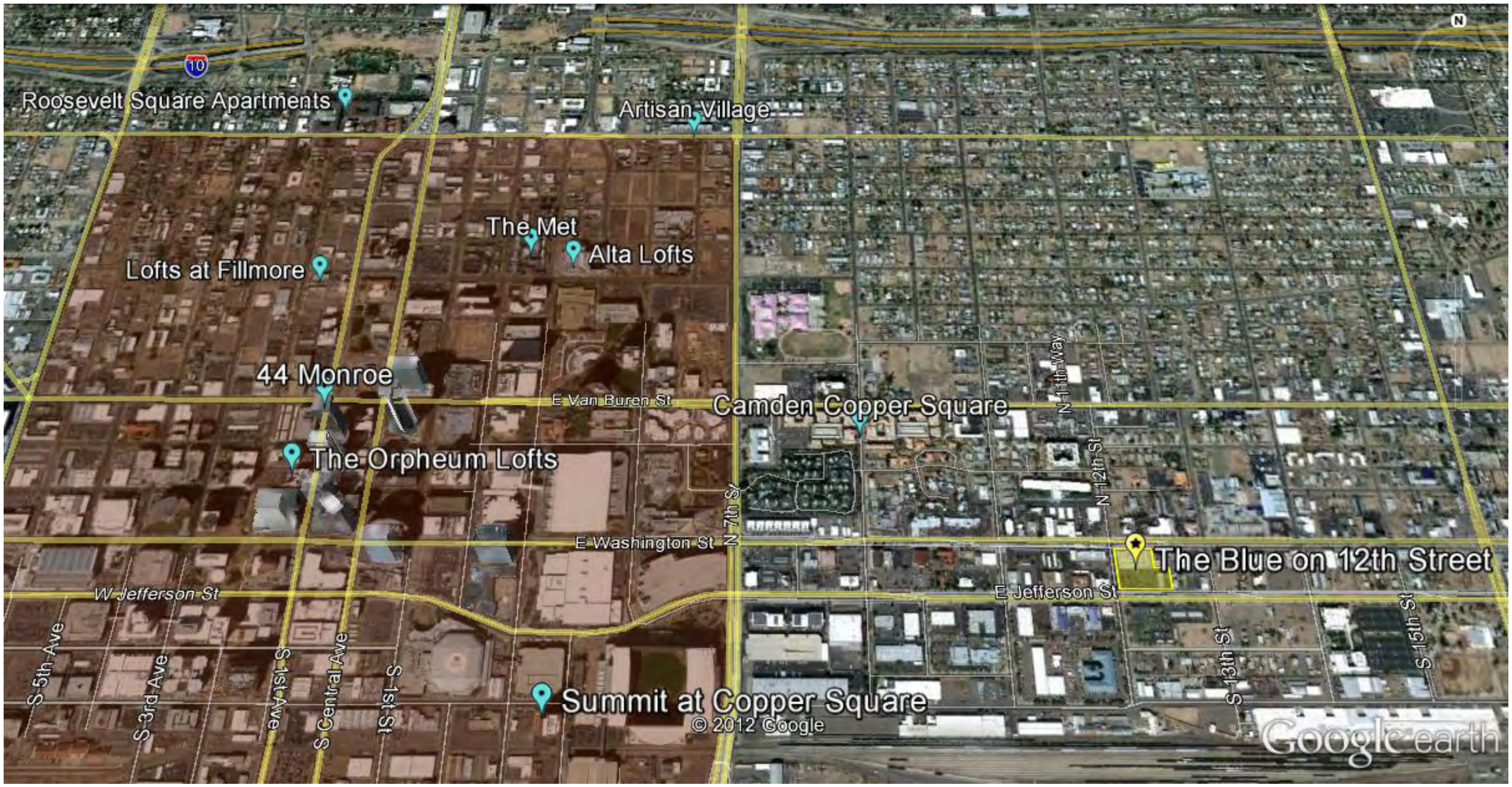
The Downtown Rental Market

The Central City submarket, which includes The Blue, has an extremely limited inventory. There are only 1,214 Class A apartments located in 4 larger projects. There are also a small number of apartments located in renovated commercial buildings and failed condominium properties that provide some shadow inventory.

As the chart on the previous page illustrates, rental rates on “A” units in Central Phoenix have increased steadily over the past 5 quarters. The Blue’s submarket (14 - Central City / Sky Harbor) has consistently outperformed the other submarkets. Data and charts reflecting the overall Phoenix Class “A” market are also included in the addenda.



The chart on the previous page shows the number of vacant units in the overall Phoenix market. It is interesting to note that the Class "A" units continue to outperform the overall market. The ongoing trends are very positive for the Phoenix multi-family market in general and the Central City submarket in particular. In addition, the failed condominium market has become almost a misnomer. The previously for sale units that have been placed in the rental pool have been very rapidly absorbed. There are few, if any, available for rent and the rents obtained are much higher than rents projected for The Blue.



A summary of several competitive rental project noted above in the market are shown on the following pages.

44 Monroe

34 story, 182-unit condo quality high rise complex with one, two, and three bedroom units completed in 2008. The property is a fractured condo, well maintained with gated and secured parking and entry via a 24 hour attendant. It has a comparable location at First Avenue and Monroe which makes it a desirable residence for singles and families without children. The amenities are of a high end condo and include granite countertops, walk in closets, Roman Tubs, and upper end stainless steel appliances.

Current Rental Rates:

- One Bedroom $1,201 - $1,872
- Two Bedroom = $1,653 to $2,273
- Three Bedroom = $2,428 to $2,975

Amenities

- Controlled Access
- Heated pool and spa
- Secured parking garage (273 spaces)
- 24 hour Attendant/Concierge
- Computer Room
- Theatre
- Fitness Center
- Monitored Security in each unit

Alta Phoenix Lofts

Six and seven stories, 332 units in over 25 different floor plans completed in 2009 characterized by urban style with exposed solid concrete walls, exposed HVAC and plumbing runs, galley kitchens, and polished concrete floors. Alta has a slightly inferior location at 4th Street and Fillmore Street, which is off the primary traffic corridors and several blocks away from the light rail. Alta is one of those designs that you either like or do not like. It appeals more to young singles or married couples without children. The property was 97% leased in July with no one bedroom availability and two-bedroom availability limited to non-view locations. The site is 2.7 net acres with two buildings. Alta Phoenix Lofts are reportedly in escrow at an undisclosed price to close in the 4th Quarter of 2011. Knowledgeable sources indicate the sales price to be in excess of $180,000 per unit and a Cap rate of less than 5%.

Current Rental Rates:

- Studio/Loft = $985 to $1,100
- One Bedroom = $1,150 to $1,195
- Two Bedroom = $1,530 to $3,500

Amenities

- Heated pool and spa
- 8 level limited access parking garage (574 spaces)
- Fitness Center
- Business Center
- Microwave ovens in all units

Level at Sixteenth

4.5 story, 240-unit garden style complex with studio, one and 2 bedroom units completed in 2009. The property is well maintained, interior loaded, elevatored, gated, with reserved underground parking and private detached garages. It is located near the Camelback Corridor at 16th Street and Campbell Avenue. The property is a desirable residence for singles and families without children. The property is an urban design with granite countertops and stainless accents.

Current Rental Rates:

- Studio / Loft = $1,141 to $1,283
- One Bedroom = $1,131 to $1,343
- Two Bedroom = $1,345 to $1,375

Amenities

- Controlled Access
- One Pool and spa
- Two Story Fitness Center
- Pet Friendly
- Some electric fireplaces
- Sophisticated Clubhouse with Swanky Lounge, Billiards, and Theatre

Roosevelt Square

4 story, 410 unit urban lifestyle project with courtyard and parking with studio/loft, 1 and 2 bedroom units completed in 2001. The property is well maintained, gated, with typical newer apartment amenities in 2 buildings. It has an inferior location near Roosevelt Street and Central Avenue which makes it a desirable residence for singles and families without children. The property was 98% leased in July with no one-bedroom availability until September. Two-bedroom availability was limited to 2 units.

Current Rental Rates:

- Studio/Loft = $818 to $918
- One Bedroom = $832 to $1,265
- Two Bedroom = $1,205 to $1,555

Amenities

- Controlled Access
- One pool and spa
- 3 level parking garage
- Convenient trash chutes
- Fitness Center
- Dog Park
- Monitored Security in each unit

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The Broader Phoenix MSA Class A Market

2011/12
Planned: 840 units
Anticipated demand: 14,500 units

The overall Phoenix apartment market has been underperforming since the early part of the 2000's yet, according to Marcus and Millichap, Class A rents are more than $210 above a mortgage for a median priced home. An overheated single-family market fueled by easy credit, resulted in a significant portion of the apartment population acquiring single-family homes, many of whom were not prepared for the responsibilities of home ownership or financially capable of handling economic turmoil, unemployment, or dramatic losses in value. As a result, a Forbes Magazine / Marcus & Millichap study ranked Phoenix number 3 nationwide of the major metro areas for its relative desirability for renters. In addition, only about 840 new apartment units have been built since 2009, only 149 permitted in 2010, with 840 units forecasted in 2011. A large number of these have been developed with public assistance, and are targeted to the "affordable" market. None of the planned units, other than The Blue, is urban, infill in design. This low creation rate should be contrasted with anticipated demand of between 14,500 and 16,000 in 2011 and 2012. In addition, a significant number of the existing Class A units were converted to condominiums and removed from the rental market. As a result, the Class A apartment inventory has not grown and is under pressure.

The shift in the housing finance market, making it more difficult to qualify for mortgages, and a growing number of young individuals and families entering the marketplace, is putting pressure on this sector of the market. Vacancies have dropped 2% in the past year. Rental rates are increasing. The prime submarkets are showing vacancies dropping below 6%, with the Downtown Class A submarket currently at less than 4% and one-bedroom units in the downtown submarket at virtually 0%.

The Affordability Factor

Based on industry accepted standards, the percentage of income spent on housing should not exceed 33%. To test affordability of rent levels, we can take 33% of a projected income level, and subtract an allowance for utilities. Urban TOD projects can use 48% as a housing expense ratio. Using the Maricopa County AZ Area Median Income (AMI) levels for FY 2010 (established by HUD), we obtain the following:

	AMI	*33%*	*Utility Allow*	*Avail. for Rent*
Single Individual @ 80% AMI	$37,350	$12,325	$950	$948
Single individual @ 100% AMI	$46,700	$15,411	$950	$1,205
Single individual @ 120% AMI	$56,040	$18,493	$950	$1,499
Family (4) @ 80% AMI	$53,300	$17,589	$950	$1,387
Family (4) @ 100% AMI	$66,600	$21,978	$950	$1,752
Family (4) @ 120% AMI	$79,920	$26,374	$950	$2,119

As noted above, the transportation factor influences this analysis. Families that choose to live further out in the suburbs will face significantly higher transportation costs. As the cost of fuel has risen, they have faced rapidly increasing costs. Families that have chosen to live closer to employment have not faced such a dramatic change in costs. The choice to live central Phoenix, within walking distance of employment, or along the light rail line, may allow a choice to be made to assume a higher than normal rent to be offset by lower transportation costs.

Projected Rents for The Blue

Based on the direct comps for Central City apartments, adjusted for quality (new Class A versus Class B or C), and making the assumption that the overall market rates will increase 0% annually, the following average rents are projected. Rents will, of course vary within the building based on location, views, etc. These proposed rents are in line with the affordability shown above given their Class A design.

The table below graphically illustrates The Blue's anticipated rents and allows for a comparison of rents and unit sizes in other Class A projects that would be considered competition. Unit sizes that are dramatically below the subject are excluded. A complete comparable listing is included in the appendix.

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Illustrative Comparables	One Bedroom			Two Bedroom			Three Bedroom		
	Rent	SF	/ SF	Rent	SF	/ SF	Rent	SF	/ SF
44 Monroe	*$ 1,406*	*963*	$ 1.36	*$ 1,966*	*1,394*	$ 1.41	*$ 2,622*	*1,873*	$ 1.40
Average	**$ 1,406**	**963**	**$ 1.36**	**$ 1,966**	**1,394**	**$ 1.41**	**$ 2,622**	**1,873**	**$ 1.40**
Alta Phoenix Lofts	$ 1,245	858	$ 1.45	$ 1,530	1,052	$ 1.45		None	
	$ 1,480	*873*	$ 1.70	$ 1,655	1,121	$ 1.48			
	$ 1,205	858	$ 1.40	$ 1,880	*1,331*	$ 1.41			
	$ 1,350	*908*	$ 1.49	*$ 1,950*	*1,337*	$ 1.46			
	$ 1,175	*946*	$ 1.24	*$ 2,265*	1,624	$ 1.39			
	$ 1,140	710	$ 1.63	$ 1,930	1,294	$ 1.49			
	$ 1,530	*872*	$ 1.75	$ 1,925	1,279	$ 1.51			
	$ 1,530	*880*	$ 1.74	*$ 2,120*	*1,901*	$ 1.12			
	$ 1,215	853	$ 1.42	*$ 2,060*	*1,593*	$ 1.29			
	$ 1,215	797	$ 1.52	*$ 2,500*	*2,498*	$ 1.00			
	$ 1,995	*1,429*	$ 1.40	*$ 3,500*	*2,507*	$ 1.40			
				$ 3,500	*2,492*	$ 1.40			
Average	**$ 1,371**	**908**	**$ 1.52**	**$ 2,235**	**1,669**	**$ 1.37**			
Level At 16th	$ 1,289	*877*	$ 1.47	$ 1,400	1,022	$ 1.37		None	
				$ 1,474	1,084	$ 1.39			
Average	**$ 1,289**	**877**	**$ 1.47**	**$ 1,437**	**1,053**	**$ 1.38**			
Roosevelt Square	$ 901	*930*	$ 0.97	$ 1,258	*2,020*	$ 0.62		None	
	$ 1,230	*1,050*	$ 1.17	$ 1,258	1,250	$ 1.01			
	$ 1,072	823	$ 1.30	$ 1,346	1,300	$ 1.04			
	$ 1,265	*1,100*	$ 1.15	$ 1,549	1,250	$ 1.24			
				$ 1,549	*1,350*	$ 1.15			
				$ 1,555	*1,500*	$ 1.04			
Average	**$ 1,117**	**975**	**$ 1.15**	**$ 1,419**	**1,445**	**$ 1.02**			
Camden Copper Sq.	$ 943	802	$ 1.18	$ 1,775	1,307	$ 1.36	$ 1,420	1,174	$ 1.21
				$ 1,468	1,233	$ 1.19			
Average	**$ 943**	**802**	**$ 1.18**	**$ 1,622**	**1,270**	**$ 1.28**	**$ 1,420**	**1,174**	**$1.21**
The Blue	**$ 1,245**	**889**	**$ 1.40**	**$ 1,795**	**1,301**	**$ 1.38**	**$ 2,145**	**1,577**	**$ 1.36**
	$ 1,255	**909**	**$ 1.38**	**$ 1,855**	**1,365**	**$ 1.38**			
	$ 1,215	**869**	**$ 1.40**	**$ 1,855**	**1,365**	**$ 1.38**			
	$ 1,320	**956**	**$ 1.38**						
Average	**$ 1,256**	**898**	**$ 1.39**	**$ 1,825**	**1,322**	**$ 1.38**	**$ 2,145**	**1,577**	**$1.36**
Comp. Average	$ 1,225	905	$ 1.34	$ 1,735	1,366	$ 1.29	$2,021	1,524	$1.31

Green italics represent monthly rents which are greater than the subject property.
Purple italics represent unit square footages greater than the subject average.

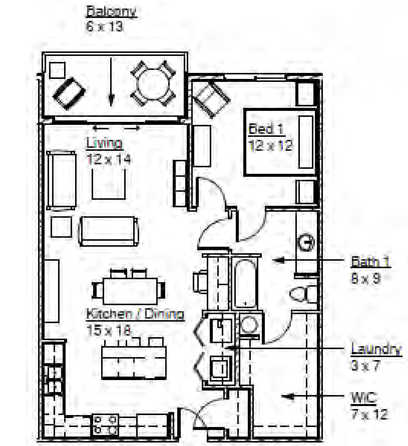
Shown Below is the anticipated initial rent schedule for The Blue combined with a unit breakdown by mix and NRSF. As noted in this Executive Summary, the proposed rents are affordable based on 120% of AMI and well in line with competing properties.

Unit Schedule

Apartment Rentals - Street Rents:

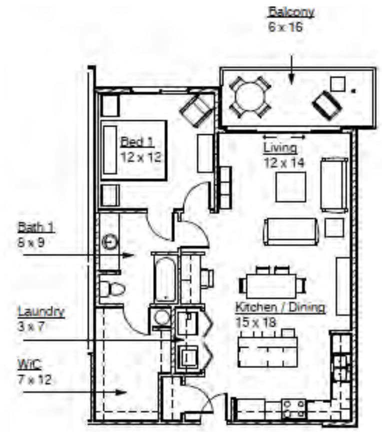
TYPE	MIX	% MIX	NRSF	RENT	RENT/ NRSF	TOTAL MONTHLY RENTS	TOTAL ANNUAL RENTS	TOTAL SF
1 Bed / 1 Bath A	88	59%	889	$1,245	$1.40	$109,560	$1,314,720	78,232
1 Bed / 1 Bath As	4	3%	869	$1,215	$1.40	$4,860	$58,320	3,476
1 Bed / 1 Bath Ac	12	8%	909	$1,255	$1.38	$15,060	$180,720	10,908
1 Bed / 1 Bath B	8	5%	965	$1,335	$1.38	$10,680	$128,160	7,720
2 Bed / 2 Bath A	20	14%	1,301	$1,795	$1.38	$35,900	$430,800	26,020
2 Bed / 2 Bath B	6	4%	1,365	$1,855	$1.36	$11,130	$133,560	8,190
2 Bed / 2 Bath Bd	2	1%	1,365	$1,855	$1.36	$3,710	$44,520	2,730
3 Bed / 3 Bath A	8	5%	1,557	$2,145	$1.38	$17,160	$205,920	12,456
TOTALS:	**148**		**1,012**	**$1,406**	**$1.39**	**$208,060**	**$2,496,720**	**149,732**

The Blue – Floor Plans



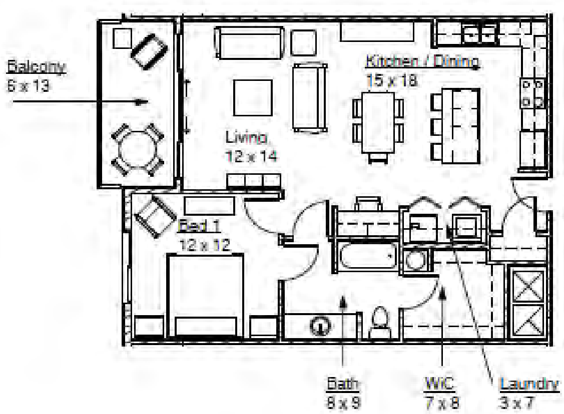
Unit 1A

Livable	889 SF
Balcony	85 SF
TOTAL	974 SF



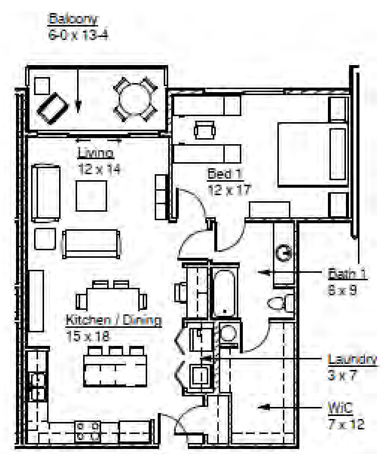
Unit 1Ac

Livable	909 SF
Balcony	99 SF
TOTAL	1,008 SF



Unit 1As

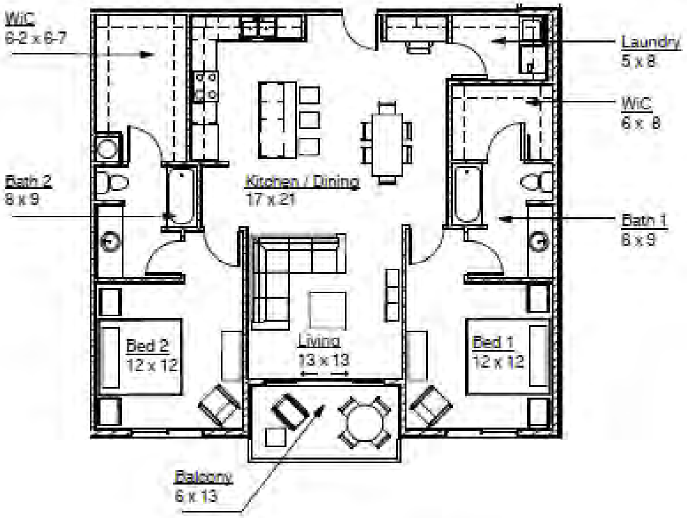
Livable	869 SF
Balcony	85 SF
TOTAL	954 SF

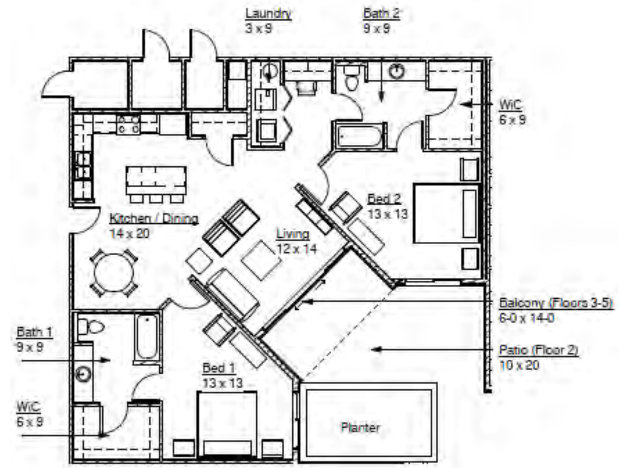


Unit 1B

Livable	956 SF
Balcony	85 SF
TOTAL	1,041 SF

The Blue



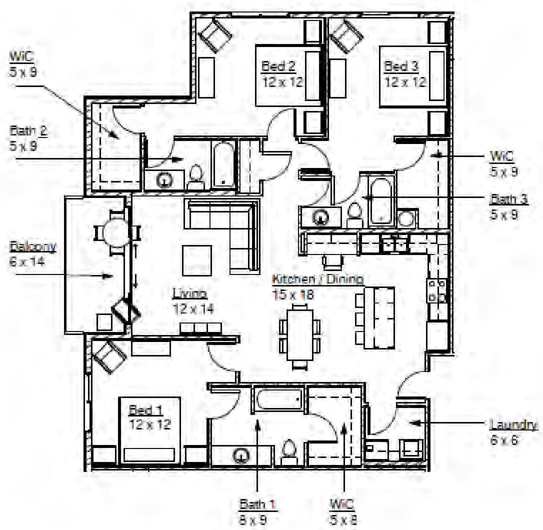


Unit 2A

Livable	1,301 SF
Balcony	81 SF
TOTAL	1,382 SF

Unit 2B

2nd Floor:		Floors 3-5:	
Livable	1,365 SF	Livable	1,365 SF
Patio	232 SF	Balcony	85 SF
TOTA	1,597 SF	TOTAL	1,450 SF



Unit 3A

Livable	1,557 SF
Balcony	87 SF
TOTAL	1,665 SF

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Demographic Overview

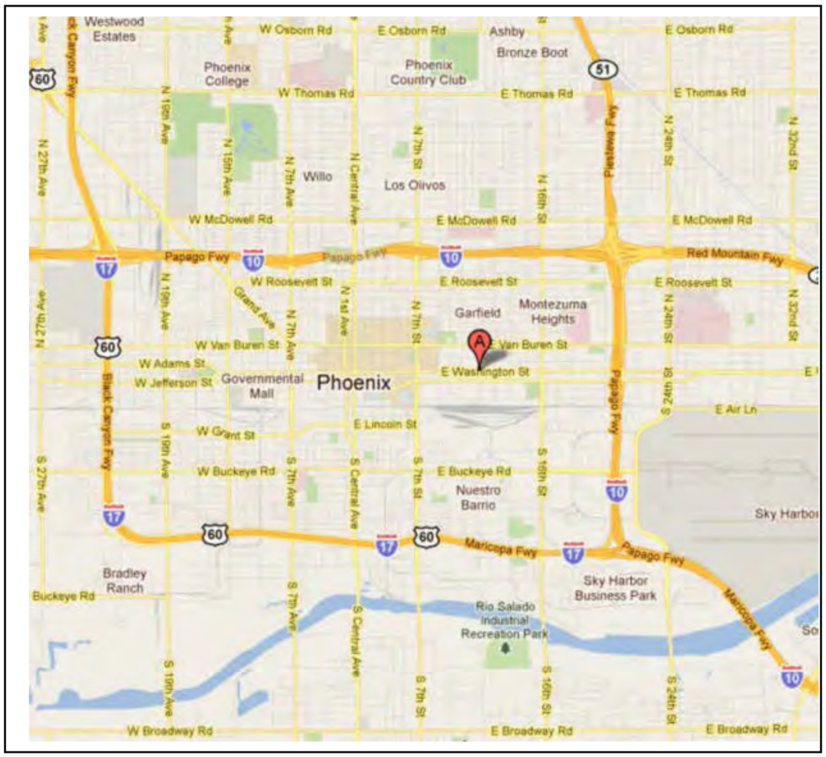
Phoenix MSA

There are 4.48 million residents and 810,000 households in the Phoenix MSA (a 28.8% increase from 2000), according to the 2010 Census. The median age in the Phoenix MSA is 32.9 and the average household size is 2.46. The median household income in the MSA is $66,600.

Greater Central City Demographics

There are currently over 69,000 residents in the greater Central City Phoenix area (defined as McDowell Road to the North, Tempe to the East, the Salt River to the South and 19th Avenue to the West).

Residents in the identified area tend to be younger than Phoenix MSA at 25.29, with 25% between 21 and 34 years of age. The Average Household size in this area is 2.12 with 26.5% being Males Never Married and 18.8% being Females Never Married.



Central City Village

The Central City is defined as zip codes 85001 to 85009, 85034 and encompasses the 21.3 sq. mile Central City Village. The area includes over 69,000 residents, 17,000 households and almost 151,000 daily workers.

Of the 151,000 people that work in the Central City Village, 59,000 work in the subject's 85034 zip code. 82% earn enough that they would be able to afford the targeted rents. Almost 69% of those that work in the Central City Village commute less than 10 miles to work each way.

Of the approximately 7,100 residents that live in 85034, 76% of them commute less than 10 miles to their primary job. The majority of the residents work in education, administrative support, health care and social assistance and public administration.

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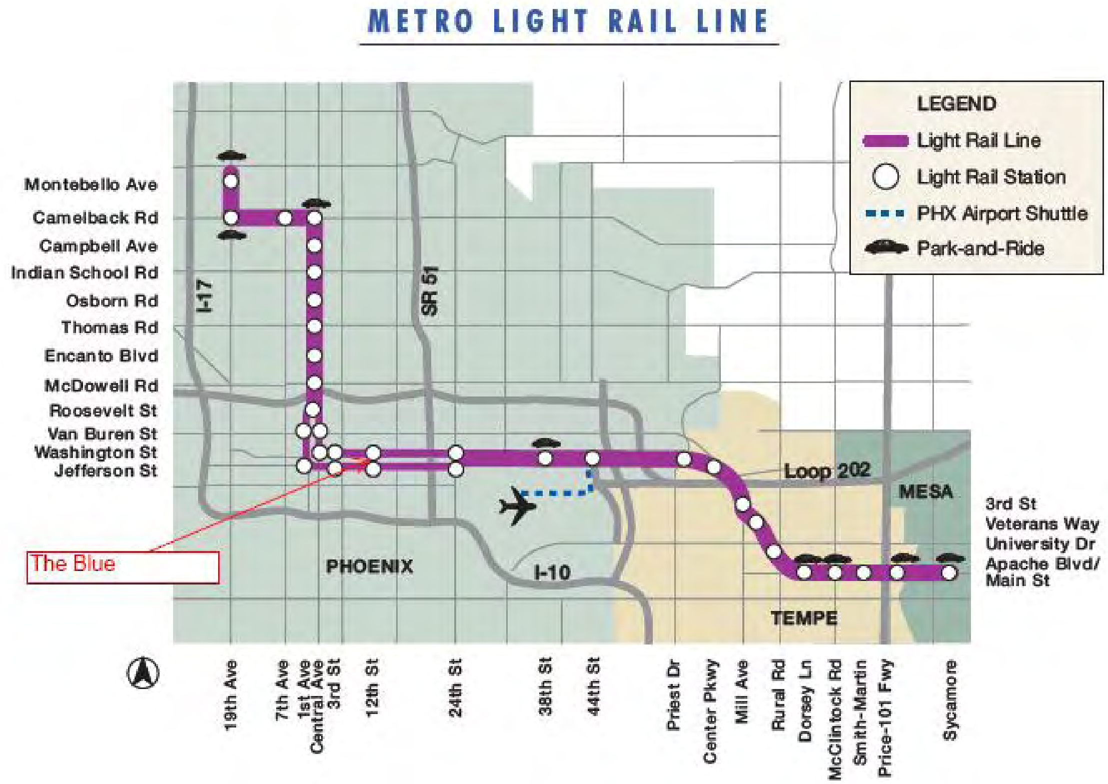
Metro Light Rail



Arizona State University and University of Arizona Medical School

Of the more than 12,000 people that work at Arizona State University's campuses on the light rail, more than 10,000 could afford the proposed rents. More than 77% of employees of Arizona State University and the University of Arizona Medical School commute less than 15 miles to work, with the distribution split mostly between East, Northeast, and Southeast. The light rail system makes the commute from The Blue both affordable and fast no matter which campus.

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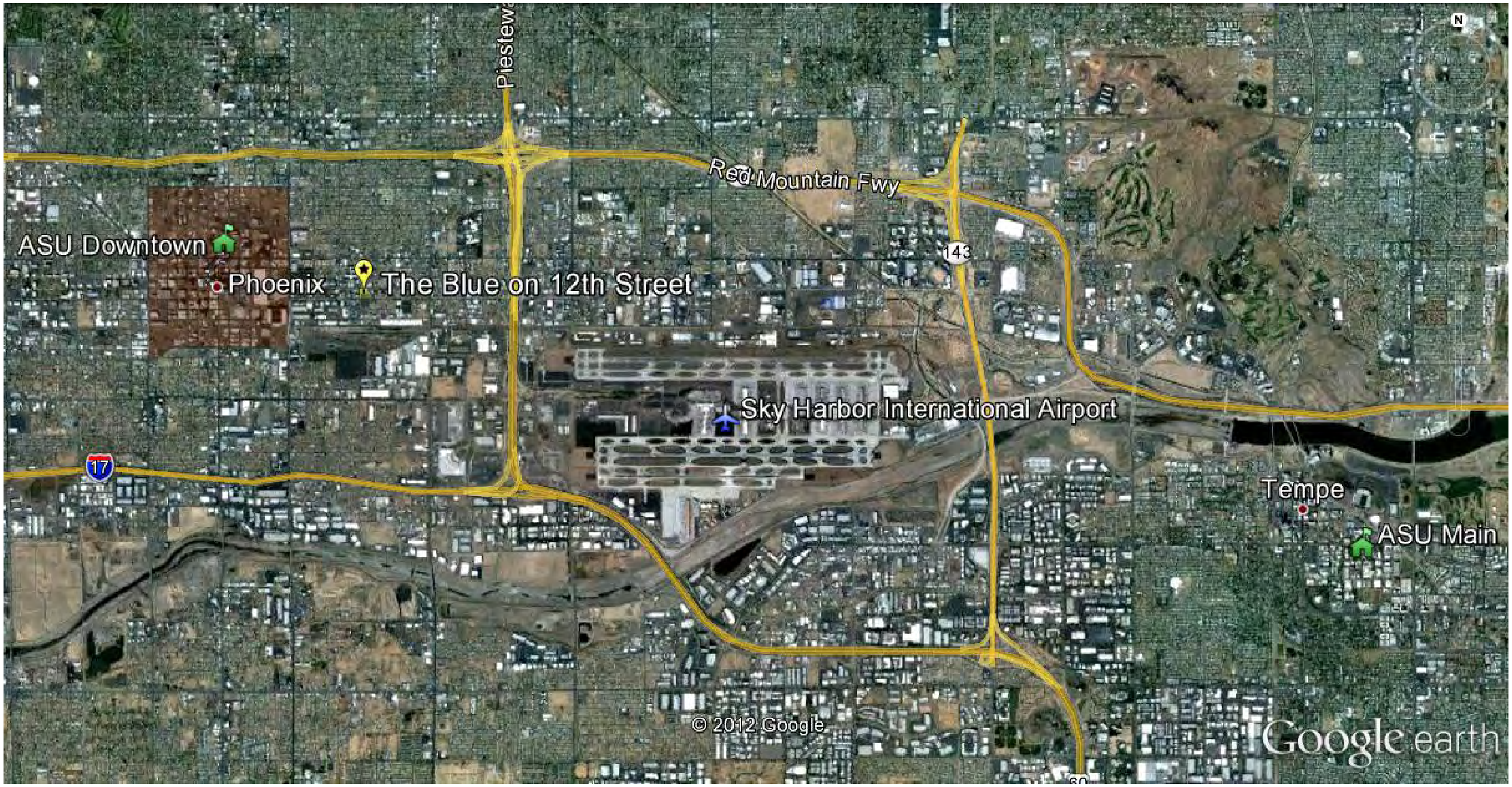

Research Review

According to much of the recent residential housing research, the number of Americans who will choose to rent rather than buy in the next 10-20 years will increase significantly. There are many different factors that are shifting households towards renting and go beyond the obvious market downturn and decrease in housing value. Over the last several decades, the population has increased in unanticipated categories, specifically seniors and households without children.

These two categories have shown to be the least likely to buy a single family home in the new market. In the last decade, there was an increase in the number of households with ages 55 and over that have wanted to sell their single family homes. The number of renter households over the age of 55 is estimated to increase by more than three million in the next decade. Additionally, there has been a marked decrease in the number of households with ages 30-45 that have decided not to purchase a single family home. These two age groups are seeking smaller housing units with lower-to-no commutes instead of the suburban single family home.

Company	Downtown Employees	Company	Downtown Employees
APS	1200	Jennings, Struass and Salmon	138
Arizona Republic/Channel 12	1657	Lewis & Roca	242
Arizona State University-staff only	900	Maricopa County	6000
Bank of America	700	Phoenix School of Law-staff only	100
Brown and Caldwell-engineers/arch	150	Quarles & Brady	203
Bryan Cave	122	Ryley, Carlock and Applewhite	182
Chase Bank	1900	Sheraton Hotel	500
City of Phoenix	3600	Snell & Wilmer	473
Ernst & Young	200	Squire Sanders & Dempsey	215
Federal Government	800	United Healthcare	600
Freeport, McMoran	200	Wells Fargo	1400
Gust Rosenfeld	144	Westin Hotel	145
Hyatt Regency	400	Wyndham Hotel	280

It is estimated that by 2020, the rental share of the housing market will be 41%. That equates to a nine to 12 million unit increase in the next decade. Within the rental market there appears to be a distinct preference to urban living. According to a National Realtors Survey, almost half of renters want to live in urban centers or have easy access to amenities by walking or using public transportation.

The movement towards housing units near public transportation is a key factor in transit-oriented development (TOD). In 2004, 47% of those surveyed indicated that they wanted easy transit access from their home, and most anticipate that number will continue to increase. Location is specifically important for the 30-45 and 55+ age groups, as less driving hassle and convenience are important factors in finding housing.

A combination of this low demand for single family detached homes and an increased supply has contributed to the collapse of the single family housing market. The household size rose from 2.59 to 2.63 in the last half of the decade, when researchers anticipated a drop to 2.52. Single family builders, anticipating a decrease to household size, overbuilt an estimated 5 million housing units in the last decade, many in the suburbs and away from city centers.

Large sections of the housing market are moving towards urban multifamily rentals. To meet the increased demand, demographers recommend developing and/or redeveloping in current urban centers, and renovating and expanding in locations that allow residents easy access to urban amenities and reduce their transportation burden.

Sources

A Different Path to a Housing Rebound, Professor William H. *Lucy,* University of Virginia *Beyond the Recessions: The Great Housing Rebalance,* Bruce Katz, Brookings Institute. *The State of the Nations Housing,* Harvard Joint Center for Housing Studies *Renter Nation,* NMHC *2010* Annual Report. *The Return of the Multi-Generational Family Household,* Pew Research Center

The Blue


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© 2011 Google
©2010 Google
Imagery Date: 3/3/2011
33°26'49.56" N 112°03'26.69" W elev 331 m
Eye alt 1.62 km

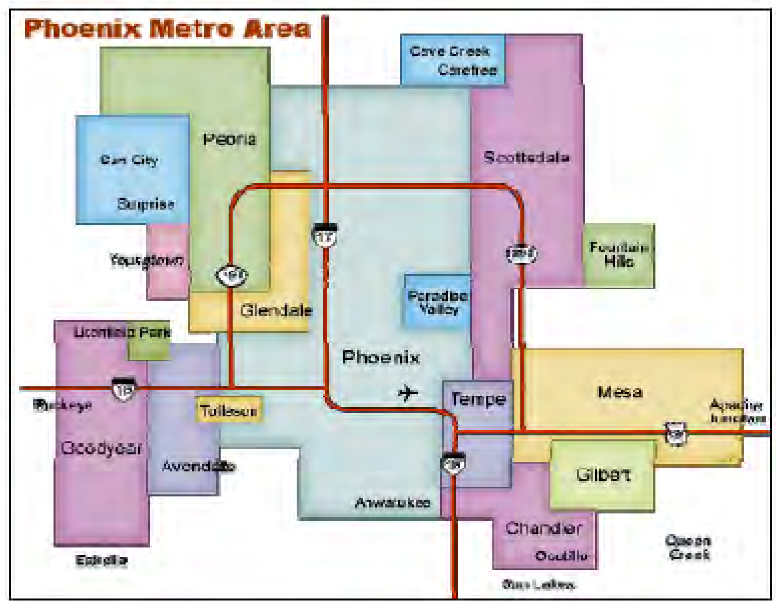
Phoenix Overview - Regional Description

The subject is located in the City of Phoenix, Maricopa County, which is part of the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area (MSA). The subject's MSA is the largest between Los Angeles and Houston, and includes the communities of Phoenix, Mesa, Tempe, Scottsdale, Paradise Valley, Peoria, Glendale, El Mirage, Goodyear, Chandler, Gilbert, Avondale, and Apache Junction. Known as the Valley of the Sun, Phoenix is the sixth largest city in the nation.

Major Downtown Employers

AT&T	**General Dynamics**	**Microelectronics**	**Raytheon**
Amkor Technology	**Google**	**Microchip Technology**	**Republic Services**
Apollo Group, Inc.	**Honeywell International**	**Morgan Stanley**	**RSC Holdings**
Avnet Inc.	**Insight**	**Motorola**	**Southwest Airlines**
Bank of America	**Lockheed Martin**	**ON Semiconductor**	**United Technologies**
Boeing	**IBM**	**PetSmart**	**USAA**
Charles Schwab	**Intel**	**Pinnacle West Capital**	**US Airways**
CSK Auto Inc.	**JP Morgan Chase**	**Pulte Homes**	**Verizon Communications**
Freeport-McMoRan Copper & Gold	**Mayo Clinic**	**Qwest Communications**	**Wells Fargo**
	Medtronic	**Freescale**	

Metro-Phoenix is the hub of the rapidly growing Southwest. Phoenix is the capital of Arizona and the Maricopa County seat. The Tonto National Forest, several American Indian communities, and wilderness areas surround the region. Maricopa County is bordered by Pima County to the south; Pinal and Gila counties to the east; Yavapai County to the north and La Paz and Yuma Counties to the west. The following paragraphs discuss various aspects of the Metro-Phoenix area.



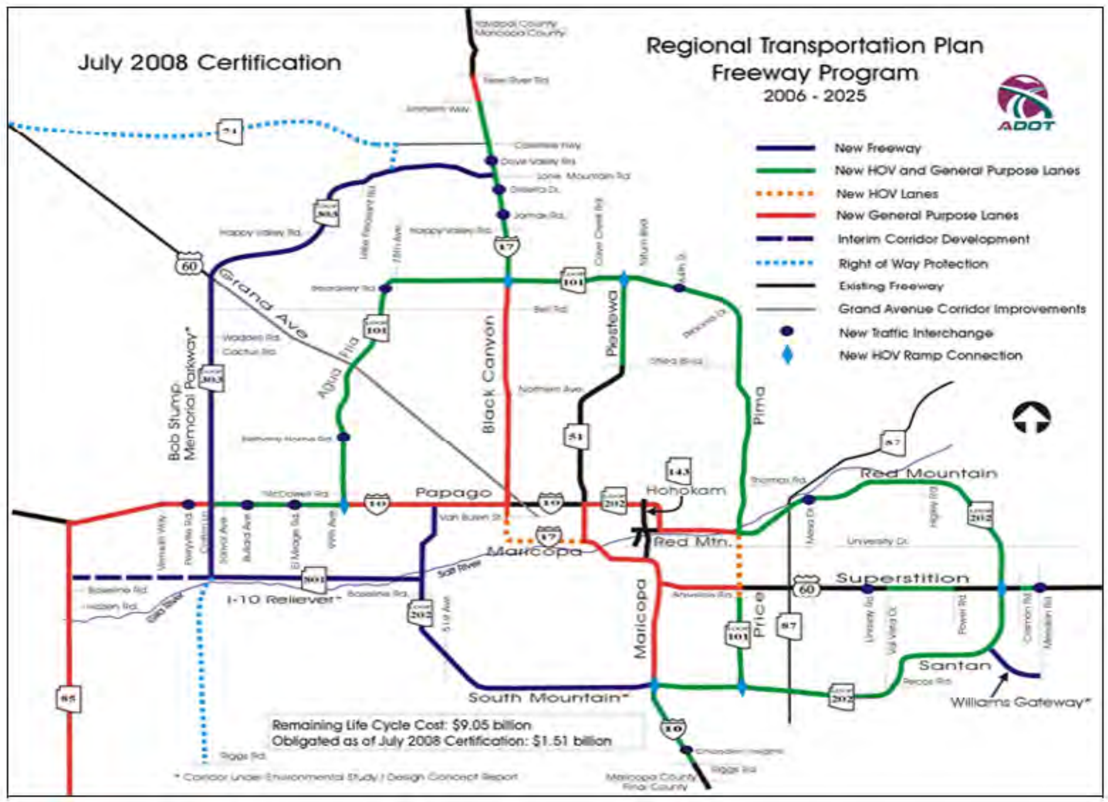
Transportation

Phoenix's evolving transportation network has played a key role in the area's growth over the past 30 years and will continue to do so with its passenger and cargo air service, superior rail access and global satellite networks. These combined services give Phoenix easy access to markets around the world. The Phoenix Sky Harbor International Airport is the world's eighth busiest (for takeoffs and landings), is serviced by all major US Airlines, and has nonstop service to 102 destinations throughout the world. There are nineteen commercial airlines serving Phoenix, which account for more than 1,500 commercial flights a day.

METRO is the brand name for the new Phoenix Light Rail System, a nonprofit, public corporation charged with the design, construction, and operation of the region's 57-mile high-capacity transit system. The original 20 mile starter line opened in December 2008 and served 12.6 million riders in 2010. It was built entirely in-street using a train-only trackway and traffic signals to allow trains to safely move through the cities of Phoenix, Tempe, and Mesa, Arizona. The cost was $1.4 billion paid for using a $587 million federal grant, $59 million from federal Congestion Mitigation and Air Quality funding and local tax dollars. The local funds are a mix of sales tax revenue from the cities of Phoenix and Tempe, General Fund from Mesa and the county's Proposition 400 half-cent sales tax.

There are 28 stations, primarily located in the center of the roadway, and designed using a kit-of-parts infrastructure with significant consideration given to the desert heat. Artwork is an integral part of the system and incorporated into each station area. The art pieces were designed using community input and several local, as well as national artists.

The freeway plan originally called for constructing 16 new limited access highways totaling 224 miles. Since the passage of Proposition 300, more than 70 miles of new freeways have been opened, including the Agua Fria, the Pima/Price-Loop 101, and the Red Mountain Freeways. In March 2002, the final segment of the 61-mile $1.25 billion Loop 101 Freeway system was finished. This milestone freeway now makes it possible to travel unobstructed from Chandler, north through Tempe and Scottsdale, west through Phoenix and Glendale, and ultimately south to Interstate 10.



In November of 2004, residents of the Phoenix metropolitan area approved Proposition 400, which continues a half-cent sales tax for 20 years, generating an estimated $15 billion for the valley's transportation plan. As part of Proposition 400, several new freeways are being constructed. The most recent Proposition 400 Regional Freeway System Certification Map is presented to the right.

Interstate 10 is a major trucking route connecting the area directly with Los Angeles to the west, and all the southeastern United States to the east. Interstate 17 runs north/south through Greater Phoenix to Flagstaff where it connects to Interstate 40 and markets in the Midwest United States. In addition, Interstate 8 provides access to southern California, connecting to I-10 just south of the metro area.

Population & Housing

The Phoenix-Mesa-Scottsdale MSA experienced moderate population growth between 2000 and 2008 at an average rate of 3.6%, which is slightly higher than the state average but well above the national average. A similar level of population growth in the region is expected to continue in the next five years. The regional population, as well as the state and nation, is summarized as follows:

Population			
	USA	Arizona	Phoenix MSA
Population			
2000 Total Population	281,421,906	5,130,632	3,251,876
2010 Total Population	308,745,538	6,392,017	4,192,887
2014 Total Population	324,062,684	7,789,259	5,035,804
2000 – 2010 Annual Growth Rate	0.97%	2.63%	3.92%
2010 - 2014 Annual Growth Rate	0.9%	3.3%	2.8%
Population Density			
2010	87.3/s.q. ml.	56.3/s.q. ml.	301/s.q. ml.
2014	90/s.q. ml.	69/s.q. ml.	345/s.q. ml.

According to the *U.S. Bureau of Census*, the total number of housing units in the county totaled 1,496,229 in 2006 (most recent available). However, the *Bureau* also reports building permits for 72,100 housing units were issued between 2006 and 2008, indicating the number of units in the county will likely increase by 4.8%. After 2008, housing starts effectively stopped and the number of foreclosed units and short sales increased the available inventory to all-time highs over 80,000. These units have been absorbed slowly over the past 2 years to only 27,501, is approximately a three to four month supply (Arizona Realtors Association 10-2011).

Income

The median household income for the Phoenix-Mesa-Scottsdale MSA is above the state median income and is anticipated to grow at a rate of 3.72% through 2013. The following table summarizes the income profile for the Phoenix-Mesa-Scottsdale MSA, as well as the state and nation:

Income Profile			
	2010	2014	Growth/yr.
Phoenix MSA	$66,600	$69,030	0.90%
Arizona	$55,268	$66,396	3.53%
USA	$54,719	$56,938	0.90%

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Employment

Over the five years from 2003 to 2008, job growth in the Phoenix-Mesa-Glendale MSA has averaged 3.04% per year. This is similar to the state 5-year average of 2.84% per year. From 2008 through 2010, historical data trended downward because of the prevailing contraction in the local and national economy. A net job gain is forecast in 2011 and 2012. The BLS shows 38,600 new jobs in the Phoenix MSA YTD October 2011. The charts below summarize historical employment statistics for the state and region:

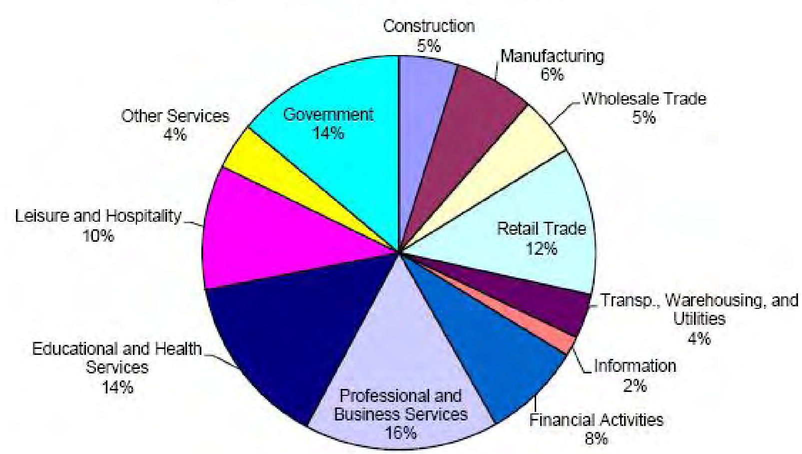
Arizona Employment Forecast
(In Thousands)

	Historical			Forecast	
	2008	**2009**	**2010**	**2011**	**2012**
Total Nonfarm Employment	2619.5	2429.2	2377.3	2394.6	2429.2
Numerical Change	*-57.3*	*-190.3*	*-51.9*	*17.3*	*34.6*
Percent Change	*-2.1%*	*-7.3%*	*-2.1%*	*0.7%*	*1.4%*

Phoenix-Mesa-Glendale MSA Employment Forecast
(In Thousands)

	Historical			Forecast	
	2008	**2009**	**2010**	**2011**	**2012**
Total Nonfarm Employment	1869.6	1722.2	1686.8	1702.0	1729.1
Numerical Change	*-48.3*	*-147.4*	*-35.4*	*15.2*	*27.1*
Percent Change	*-2.5%*	*-7.9%*	*-2.1%*	*0.9%*	*1.6%*

2010 Phoenix MSA Employment By Industry



The graph above illustrates that there is no dominant employment sector in Phoenix but the combined Services industries are the most weighted in the region. After the combined Services category, Government is significant at 14% with Retail Trade at 12% of jobs. The MSA is home to several major companies. A summary of the major downtown Phoenix employers including Fortune 500/100 companies representing over 22,000 employees is presented on the following page:

Company	Total of Downtown Employees	Company	Total of Downtown Employees
Chase	1900	Bryan Cave	122
Wells Fargo	1400	Hyatt Regency	400
Bank of America	700	City of Phoenix	3600
APS	1200	Maricopa County	6000
Arizona Republic/Channel 12	1657	Federal Government	800
Snell & Wilmer	473	Quarles & Brady	203
Ernst & Young	200	Brown and Caldwell-engineers/arch	150
Lewis & Roca	242	Freeport, McMoran	200
Squire Sanders & Dempsey	215	Arizona State University-staff only	900
Wyndham Hotel	280	Sheraton Hotel	500
Ryley, Carlock and Applewhite	182	Westin Hotel	145
Jennings, Struass and Salmon	138	United Healthcare	600
Gust Rosenfeld	144	Phoenix School of Law-staff only	100

Unemployment

The table to the right summarizes 2000-2010 unemployment rates for the US, Arizona, and the Phoenix-Mesa-Glendale MSA as well as showing the October 2011 rates. Unemployment remained relatively stable through the early 2000's until 2008 when the rate increased to 4.9%. Unemployment rates followed the national trends (though initially lower than the national averages) and increased through 2009 to 9.7%. By 2010 moderate progress resulted in a MSA rate of 9.6, which further decreased by year-end 2010 to 9.1%.

2011 has continued to show progress with the Phoenix-Mesa-Glendale MSA's overall unemployment reaching 8.1%, a full 1% drop over the preceding 9 months. This contrasts well with the national employment, which gained .3% over the same period.

Unemployment Rates

Year	United States	Arizona	Phoenix MSA
2000	4.0%	4.0%	3.3%
2001	4.7%	4.7%	4.2%
2002	5.8%	6.0%	5.6%
2003	6.0%	5.7%	5.2%
2004	5.5%	5.0%	4.5%
2005	5.1%	4.6%	4.1%
2006	4.6%	4.1%	3.6%
2007	4.6%	3.8%	3.3%
2008	5.8%	5.5%	4.9%
2009	9.9%	10.4%	9.7%
2010	9.4%	9.8%	9.1%
2011	9.1%	9.3%	8.1%

Source: US Bureau of Labor Statistics (Thru Sept. 2011)

Health Care / Education

Health care is the second largest employer in the area with over 59.000 personnel and 43 accredited health care institutions. Hospitals are also among the largest employers in the state and there are several large medical learning centers/medical campuses including the University of

Arizona College of Medicine, Midwest University, and Northern Arizona University's College of Rehabilitative Sciences and the new University of Arizona Cancer Research Center being within 1.5 miles of The Blue. The Phoenix area has a highly skilled work force with over 80% of the residents having a high school diploma compared to the national average of 75%. There are numerous public schools and several colleges including Arizona State University, Maricopa County Community College, Devry Institute, Grand Canyon University, the American Graduate School of International Management and Keller Graduate School.

Summary

The Phoenix-Mesa-Scottsdale MSA area is experiencing a corrective cycle from the past decade of substantial expansion. Overall, the area has a favorable business climate due to a well-educated work force and affordable housing. In the short term, population and economic growth for the region is cautioned by the prevailing macro-economic conditions. In the foreseeable future, the Phoenix area is poised to experience strong further growth given its favorable position as the business center of the Southwest region.

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Project Proforma

INCOME:	ANNUAL $$	PER UNIT	PER NRSF	% OF EGI
Scheduled Market Rental Income	$2,496,720	$16,870	$16.21	101.7%
Plus Floor and Premium Views	$18,310	$124	$0.12	0.7%
Plus Commercial Rental	$64,335	$435	$0.42	2.6%
Plus Parking & Storage Income	$71,280	$482	$0.46	2.9%
Plus Utility Reimbursement	$44,400	$300	$0.29	1.8%
Plus Late Charges / Credit / Other	$22,900	$155	$0.15	0.9%
Plus Forfeited Security Deposits	$10,500	$71	$0.07	0.4%
GROSS INCOME	$2,728,445	$18,435	$17.71	111.1%
Less Vacancy Allowance of 5%	($136,422)	($922)	($0.89)	-5.6%
Less Concessions & Delinquency	($136,422)	($922)	($0.89)	-5.6%
EFFECTIVE GROSS INCOME	$2,455,601	$16,592	$15.94	100.0%
OPERATING EXPENSE:				
Insurance	19,000	$128	$0.12	0.8%
Utilities	134,000	$905	$0.87	5.5%
Management	98,224	$664	$0.64	4.0%
Repairs & Decorations	87,000	$588	$0.56	3.5%
Wages	172,000	$1,162	$1.12	7.0%
Advertising & Rental	21,000	$142	$0.14	0.9%
General & Administrative	81,300	$549	$0.53	3.3%
Reserves	35,000	$236	$0.23	1.4%
TOTAL BEFORE REAL ESTATE TAXES	$647,524	$4,375	$4.20	26.4%
Real Estate Taxes	$132,000	$892	$0.86	5.4%
TOTAL OPERATING EXPENSE	$779,524	$5,267	$5.06	31.7%
NET OPERATING INCOME	**$1,676,076**	**$11,325**	**$10.88**	**68.3%**
VALUE AT CAP RATE OF 6%	$27,934,608	$188,747	$181.37	
Rounded Valuation:	**$28,000,000**	**$189,189**	**$181.79**	
LOAN SUMMARY:				
Loan Amount:	**$17,290,000**	**$112.26**	**$112**	
Loan Term:	3	Years		
Interest Rate:	5.50%	Per Annum		
Amortization Schedule:	30	Years		
Loan Constant:	6.81%	Per Annum		
Balance due at Maturity	$16,551,109	$111,832	$107.46	
KEY RATIOS:				
Debt Coverage Ratio:	1.42			
Loan to Value Ratio:	62%			
Breakeven Occupancy:	72%			

Project Costs

SOURCES & USES OF FUNDS

Source of Funds:	AMOUNT	$$ / UNIT	$ / SF	% TTL
Loan Commitment:	$17,290,000	$116,824	$112.26	70.0%
Developer Equity	$1,300,000	$8,784	$8.44	5.3%
JV Partner Equity	$6,110,000	$41,284	$39.67	24.7%
Total Sources	**$24,700,000**	**$166,892**	**$160.37**	**100%**

Uses of Funds	AMOUNT		$ / SF	% TTL
Site Valuation	$4,144,000	$28,000	$26.91	16.8%
Hard Construction Cost	$15,573,000	$105,223	$101.11	63.0%
Contingency - Hard Costs (2.7%)	$417,000	$2,818	$2.71	1.7%
Design & Soft Costs	$1,238,500	$8,368	$8.04	5.0%
Development Fee	$700,000	$4,730	$4.54	2.8%
Contingency - Soft Costs	$100,000	$676	$0.65	0.4%
Marketing & Pre-Opening	$143,500	$970	$0.93	0.6%
Financing Costs	$784,000	$5,297	$5.09	3.2%
Construction Interest	$750,000	$5,068	$4.87	3.0%
Initial Operating Deficit	$100,000	$676	$0.65	0.4%
Lease-Up Interest Reserves	$550,000	$3,716	$3.57	2.2%
Contingency - General	$200,000	$1,351	$1.30	0.8%
Total Uses:	**$24,700,000**	**$166,892**	**$160**	**100%**

Total Interest Reserves	$1,300,000	
Interest Per Month	$98,171	
No. Months Interest Reserves	13	
Construction + Lease-Up Period	18	months
Interest Funded by Cash	5	months

THE BLUE | **NRSF:** **154,021** | ANALYSIS DATE: 29-Feb-12
10 YEAR CASH FLOW PROJECTION | **UNITS:** **148** | 08:43 AM

Year:	1	2	3	4	5	6	7	8	9	10	11	12
Gross Potential Rent Growth	0.0%	0.0%	3.0%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Average Monthly Rent	*$1,406*	*$1,406*	*$1,448*	*$1,520*	*$1,596*	*$1,644*	*$1,694*	*$1,744*	*$1,797*	*$1,851*	*$1,906*	*$1,963*
Average Monthly Rent PSF	*$1.35*	*$1.35*	*$1.39*	*$1.46*	*$1.53*	*$1.58*	*$1.63*	*$1.68*	*$1.73*	*$1.78*	*$1.83*	*$1.89*
Commercial Rental Growth	N/A	0.0%	0.0%	2.5%	2.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Vacancy Loss	N/A	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Concessions	N/A	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other Rent Loss	N/A	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Total Economic Loss	N/A	10.0%	10.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Other Income / Utility Reimbursement Growth	N/A	2.5%	2.5%	2.5%	2.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Operating Expense Growth	N/A	2.5%	2.5%	2.5%	2.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Permanent Financing Assumptions:			**Permanent Loan Interest Rate:**	6.0%
Permanent Loan Conversion Date	**1-Jan-17**		**Amortization Schedule:**	30
Permanent Loan Amount	$23,325,000	75% of Year 4 value	**Annual Payment:**	$1,678,142
Permanent Loan after Construction Loan Payoff	$5,944,475	Assumes 2.5% permanent financing costs		

		Construction	**Lease-Up**	**Stabilization**									
OWNERSHIP YEAR:		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**11**
ITEM YEAR BEGINNING:	**Notes**	**Jan-13**	**Jan-14**	**Jan-15**	**Jan-16**	**Jan-17**	**Jan-18**	**Jan-19**	**Jan-20**	**Jan-21**	**Jan-22**	**Jan-23**	**Jan-24**
INCOME													
Gross Potential Rental Income	(1)		1,771,322	2,589,932	2,719,428	2,855,400	2,941,062	3,029,293	3,120,172	3,213,777	3,310,191	3,409,496	3,511,781
Less Vacancy:	(8)			(129,497)	(135,971)	(142,770)	(147,053)	(151,465)	(156,009)	(160,689)	(165,510)	(170,475)	(175,589)
Less Concessions:			(70,853)	(103,597)	(81,583)	(85,662)	(88,232)	(90,879)	(93,605)	(96,413)	(99,306)	(102,285)	(105,353)
Less Other Rent Loss			(17,713)	(25,899)	(27,194)	(28,554)	(29,411)	(30,293)	(31,202)	(32,138)	(33,102)	(34,095)	(35,118)
NET RENTAL INCOME			**$1,682,756**	**$2,330,938**	**$2,474,680**	**$2,598,414**	**$2,676,366**	**$2,756,657**	**$2,839,357**	**$2,924,537**	**$3,012,274**	**$3,102,642**	**$3,195,721**
Commercial Income - Net of Vacancy	(2)		30,559	61,118	62,646	64,212	66,139	68,123	70,167	72,272	74,440	76,673	78,973
Parking & Storage Income - Net of Vacancy			35,640	67,716	69,409	71,144	73,278	75,477	77,741	80,073	82,476	84,950	87,498
Utility Reimbursement - Net of Vacancy			22,200	42,180	43,235	44,315	45,645	47,014	48,425	49,877	51,374	52,915	54,502
Late Charges / Credit / Other - Net of Vacancy			11,450	21,755	22,299	22,856	23,542	24,248	24,976	25,725	26,497	27,292	28,110
Forfeited Security Deposits - Net of Vacancy			5,250	9,975	10,224	10,480	10,794	11,118	11,452	11,795	12,149	12,514	12,889
EFFECTIVE GROSS INCOME		**$0**	**$1,787,855**	**$2,533,683**	**$2,682,493**	**$2,811,422**	**$2,895,764**	**$2,982,637**	**$3,072,117**	**$3,164,280**	**$3,259,208**	**$3,356,985**	**$3,457,694**
OPERATING EXPENSES													
Insurance	(4)		19,000	19,475	19,962	20,461	21,075	21,707	22,358	23,029	23,720	24,431	25,164
Utilities			67,000	137,350	140,784	144,303	148,632	153,091	157,684	162,415	167,287	172,306	177,475
Management			71,514	101,347	107,300	112,457	115,831	119,305	122,885	126,571	130,368	134,279	138,308
Repairs & Decorations	(9)		14,500	89,175	91,404	93,689	96,500	99,395	102,377	105,448	108,612	111,870	115,226
Wages	(5)		129,000	176,300	180,708	185,225	190,782	196,505	202,401	208,473	214,727	221,169	227,804
Advertising & Rental	(4)		21,000	21,525	22,063	22,615	23,293	23,992	24,712	25,453	26,217	27,003	27,813
General & Administrative	(4)		81,300	83,333	85,416	87,551	90,178	92,883	95,670	98,540	101,496	104,541	107,677
Reserves	(6)		17,500	35,875	36,772	37,691	38,822	39,987	41,186	42,422	43,694	45,005	46,355
Real Estate Taxes	(3)		0	67,650	138,683	142,150	146,414	150,806	155,331	159,991	164,790	169,734	174,826
TOTAL OPERATING EXPENSES			**420,814**	**732,030**	**823,091**	**846,142**	**871,527**	**897,673**	**924,603**	**952,341**	**980,911**	**1,010,338**	**1,040,649**
Per Unit			*$2,843*	*$4,946*	*$5,561*	*$5,717*	*$5,889*	*$6,065*	*$6,247*	*$6,435*	*$6,628*	*$6,827*	*$7,031*
Per SF			*$2.73*	*$4.75*	*$5.34*	*$5.49*	*$5.66*	*$5.83*	*$6.00*	*$6.18*	*$6.37*	*$6.56*	*$6.76*
NET OPERATING INCOME		**$0**	**$1,367,040**	**$1,801,653**	**$1,859,402**	**$1,965,279**	**$2,024,238**	**$2,084,965**	**$2,147,514**	**$2,211,939**	**$2,278,297**	**$2,346,646**	**$2,417,046**
Less Debt Service	(7)	0	0	(1,178,049)	(1,178,049)	(1,678,142)	(1,678,142)	(1,678,142)	(1,678,142)	(1,678,142)	(1,678,142)	(1,678,142)	(1,678,142)
NET EARNINGS PRE INCOME TAX & DEPRECIATION		**0**	**$1,367,040**	**$623,604**	**$681,353**	**$287,137**	**$346,096**	**$406,823**	**$469,372**	**$533,797**	**$600,155**	**$668,504**	**$738,904**
Value at 6% Cap Rate				**$30,027,548**	**$30,990,033**	**$32,754,655**	**$33,737,295**	**$34,749,414**	**$35,791,896**	**$36,865,653**	**$37,971,623**	**$39,110,771**	**$40,284,095**
Per Unit				*$202,889*	*$209,392*	*$221,315*	*$227,955*	*$234,793*	*$241,837*	*$249,092*	*$256,565*	*$264,262*	*$272,190*
LEVERAGED CASH ON CASH RETURN			18.4%	8.4%	9.2%	23.2%	28.0%	32.9%	38.0%	43.2%	48.6%	54.1%	59.8%

		Leveraged Cash Flow			**Cash Flow to Equity Partner**				**Cash Flow to Developer**			
IRR ASSUMPTIONS:		***Period***	***Year Beginning***	***Cash Flow/Yr***	***Period***	***Year Beginning***	***Cash Flow/Yr***	***% Split***	***Period***	***Year Beginning***	***Cash Flow/Yr***	***% Split***
Initial Equity Funding	$7,410,000	CF 0	Jan-13	(7,410,000)	CF 0	Jan-13	(6,110,000)	82.50%	CF 0	Jan-13	-1,300,000	17.5%
Yr. 11 NOI Cap Rate:	7.00%	CF 1	Jan-14	0	CF 1	Jan-14	0	82.50%	CF 1	Jan-14	0	17.5%
Reversion Value:	$34,529,224	CF 2	Jan-15	1,367,040	CF 2	Jan-15	1,127,808	82.50%	CF 2	Jan-15	239,232	17.5%
% to Seller:	97.00%	CF 3	Jan-16	623,604	CF 3	Jan-16	514,474	82.50%	CF 3	Jan-16	109,131	17.5%
Net Reversion Value:	$33,493,347	CF 4	Jan-17	6,625,828	CF 4	Jan-17	5,466,308	82.50%	CF 4	Jan-17	1,159,520	17.5%
		CF 5	Jan-18	287,137	CF 5	Jan-18	143,569	50.00%	CF 5	Jan-18	143,569	50.0%
		CF 6	Jan-19	346,096	CF 6	Jan-19	173,048	50.00%	CF 6	Jan-19	173,048	50.0%
		CF 7	Jan-20	406,823	CF 7	Jan-20	203,411	50.00%	CF 7	Jan-20	203,411	50.0%
LEVERAGED INTERNAL RATE OF RETURN:	**26.4%**	CF 8	Jan-21	469,372	CF 8	Jan-21	234,686	50.00%	CF 8	Jan-21	234,686	50.0%
	========	CF 9	Jan-22	533,797	CF 9	Jan-22	266,899	50.00%	CF 9	Jan-22	266,899	50.0%
		CF 10	Jan-23	34,093,503	CF 10	Jan-23	17,046,751	50.00%	CF 10	Jan-23	17,046,751	50.0%
					IRR:	**21.9%**			**IRR:**	**37.6%**		

NOTES TO DISCOUNTED CASH FLOW ANALYSIS

(1) Gross potential rental income includes floor and view premium income. Income is inflated by the annual Gross Potential Rent Growth Rate assumption. Lease up rental income is projected in the Absorption Schedule.
(2) Commercial income consists of office space leased to Lafferty Electric and a restaurant space, and a 685 SF office space, all leased at $15/SF NNN. Rent is inflated at the Other Income Growth Rate assumption beginning in year 4.
(3) Property taxes are paid from the construction loan operating deficit account during the first year of leaseup and not assessed until yr 3. Expenses are inflated at the Expense Growth Rate assumption.
(4) Underwritten as a fixed cost during the first year of lease-up.
(5) Wages are underwritten at 75% of their level at stabilized occupancy during the lease-up year.
(6) Reserves are assumed to begin being paid once stabilized occupancy is reached, in the second half of the lease-up year.
(7) Debt service for the construction loan is modeled in the Construction Interest spreadsheet. A permanent loan at 75% of value is assumed to be funded in January 2017, at a rate of 6.0% with a 30 year amortization schedule.
(8) Vacancy for leaseup is illustrated in the absorption schedule and reflected in the income above.
(9) Repairs & Decorations are limited to 17% of stabilized in year 1 as the project will be under the 2 year builders warranty.

		Unleveraged Cash Flow		
IRR ASSUMPTIONS:		***Period***	***Year Beginning***	***Cash Flow/Yr***
Initial Equity Funding	$4,144,000	CF 0	Jan-13	(4,144,000)
Yr. 11 NOI Cap Rate:	7.00%	CF 1	Jan-14	(20,556,000)
Reversion Value:	$34,529,224	CF 2	Jan-15	1,367,040
% to Seller:	97.00%	CF 3	Jan-16	1,801,653
Net Reversion Value:	$33,493,347	CF 4	Jan-17	1,859,402
		CF 5	Jan-18	1,965,279
		CF 6	Jan-19	2,024,238
		CF 7	Jan-20	2,084,965
		CF 8	Jan-21	2,147,514
UNLEVERAGED INTERNAL RATE OF RETURN:	**10.1%**	CF 9	Jan-22	2,211,939
	========	CF 10	Jan-23	35,771,645

CHURCHILL COMMERCIAL CAPITAL, INC.

Anticipated Absorption Projections

THE BLUE	**LEASE-UP PROJECTION ANALYSIS**											
Stabilized Occupancy:	95.00%	141	units									
Grand Opening	**January 1, 2014**											
Lease-Up Projections	**MONTH**											
Proforma Absorption Schedule	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
No. Units Leased:	30	20	20	20	20	20	11	11	11	11	11	11
Total Leased:	30	50	70	90	110	130	141	141	141	141	141	141
Occupancy Rate:	20.3%	33.8%	47.3%	60.8%	74.3%	87.8%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Monthly Rental Income	$42,174	$70,291	$98,407	$126,523	$154,639	$182,755	$182,755	$182,755	$182,755	$182,755	$182,755	$182,755
Annual Rent Year 1	$1,771,322											

Construction Interest Projections (see Excel file that will accompany presentation)

THE BLUE
CONSTRUCTION INTEREST PROJECTION

Funding from Equity			Construction Interest Rate:	5.50%
Land	$4,144,000			
Financing Cost	$784,000			
Design & Engineering	$1,238,500			
Soft Cost Contingency	$100,000			
Initial Hard Costs	$1,143,500	7% of hard costs		
Total Equity	**$7,410,000**			
Loan Commitment	**$17,290,000**			
Loan per Unit & Per SF	$116,824	$112.26		
Loan to Cost	70%			
Conversion to Perm Loan	**1/1/2017**			
Breakeven at 5.5% interest only	60%			
Breakeven Occupancy Month	16			

	********** CONSTRUCTION PERIOD **********											
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Loan Month	1	2	3	4	5	6	7	8	9	10	11	12
Occupancy Rate:	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Beginning Loan Balance	$0	$0	$0	$1,544,588	$3,103,335	$4,669,226	$6,242,294	$7,822,572	$9,410,093	$11,004,890	$12,606,996	$14,216,446
Principal Draw	$0	$0	$1,544,588	$1,544,588	$1,544,588	$1,544,588	$1,544,588	$1,544,588	$1,544,588	$1,544,588	$1,544,588	$1,544,588
Interest Accrued - end of month	$0	$0	$7,079	$14,159	$21,303	$28,480	$35,690	$42,933	$50,209	$57,518	$64,861	$72,238
Interest Paid from Interest Reserve	$0	$0	($7,079)	($14,159)	($21,303)	($28,480)	($35,690)	($42,933)	($50,209)	($57,518)	($64,861)	($72,238)
Interest Paid from Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ending Loan Balance	$0	$0	$1,544,588	$3,103,335	$4,669,226	$6,242,294	$7,822,572	$9,410,093	$11,004,890	$12,606,996	$14,216,446	$15,833,272
Cumulative Interest Paid	$0	$0	$7,079	$21,238	$42,541	$71,021	$106,711	$149,644	$199,853	$257,371	$322,233	$394,471
30 day LIBOR	0.125%	0.125%	0.125%	0.125%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.750%
Spread	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Interest Rate (5.0% floor)	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Loan Constant	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Total Interest	$0	$0	$7,079	$21,238	$42,541	$71,021	$106,711	$149,644	$199,853	$257,371	$322,233	$394,471
% of Construction Commitment Funded	0%	0%	9%	18%	27%	36%	45%	54%	64%	73%	82%	92%
Monthly Draw as % of Construction Commitment	0%	0%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Loan Month	13	14	15	16	17	18	19	20	21	22	23	24
Occupancy Rate:	20%	34%	47%	61%	74%	88%	95%	95%	95%	95%	95%	95%
Beginning Loan Balance	$15,833,272	$16,024,256	$16,216,116	$16,408,855	$16,602,477	$16,678,572	$16,755,016	$16,755,016	$16,755,016	$16,755,016	$16,755,016	$16,755,016
Principal Draw	$117,875	$117,875	$117,875	$117,875								
Interest Accrued - end of month	$73,109	$73,985	$74,864	$75,748	$76,095	$76,443	$0	$0	$0	$0	$0	$0
Interest Paid from Interest Reserve	($73,109)	($73,985)	($74,864)	($75,748)	($76,095)	($76,443)	$0	$0	$0	$0	$0	$0
Interest Paid from Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ending Loan Balance	$16,024,256	$16,216,116	$16,408,855	$16,602,477	$16,678,572	$16,755,016	$16,755,016	$16,755,016	$16,755,016	$16,755,016	$16,755,016	$16,755,016
Cumulative Interest Paid	$467,580	$541,565	$616,429	$692,176	$768,271	$844,715	$844,715	$844,715	$844,715	$844,715	$844,715	$844,715
30 day LIBOR	3.750%	3.750%	3.750%	3.750%	3.750%	3.750%	3.750%	3.750%	3.750%	3.750%	3.750%	3.750%
Spread	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Interest Rate (5.0% floor)	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Loan Constant	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Total Interest	$467,580	$541,565	$616,429	$692,176	$768,271	$844,715	$844,715	$844,715	$844,715	$844,715	$844,715	$844,715
% of Construction Commitment Funded	93%	94%	95%	96%	96%	97%	97%	97%	97%	97%	97%	97%
Monthly Draw as % of Construction Commitment	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	

Note: Financing assumes the construction loan has 2% in origination fees and equity has 2% in brokerage fees, with a 12 month construction period and 4 month lease-up to breakeven period, with a 5.50% interst rate, interest only.
Construction draw assumes hard cost & hard cost contingency drawn evenly for 10 months beginning month 3.
The $700,000 developer fee/overhead is billed in proportion to the percentage of the construction loan commmitment funded each month.
Marketing & Pre-Opening, Initial Operating Deficit, and General Contingency are modeled to be drawn evenly in months 13 through 16.

CHURCHILL COMMERCIAL CAPITAL, INC.

Project Team Detailed resumes for the team are included in the online document vault.

Michael J. Lafferty began his career in 1983, at the age of twenty-one, as the Chief Executive Officer and President of Lafferty Electric, Inc. (LEI)., where he drove the Company to the completion of $300,000,000 in operations. Michael sold LEI in 2006 and formed Lafferty Electric Technologies (LET), which specializes in the energy industry and commercial contracting industry.

Michael also launched Lafferty Development (LD), specializing in commercial / industrial build-to-suits, restaurant construction, as well as mixed use commercial projects. In 1996, he developed a 3000-acre Master Planned development featuring a Jack Nicklaus golf course. The $65 Million beach community named Laguna Del Mar was fully developed and is located Puerto Peñasco, Mexico (AKA Rocky Point). As President of Blue Renewable Energy (BRE), he operates as a financier of renewable projects. To date BRE owns and operates 27 solar facilities at ASU & the Yuma International Airport.

Larry Mohr is the principal of Mohr Management, LLC offering construction management consulting services to real estate developers and owners and is able to apply his experience from over 35 years with The Weitz Company, a national general contractor, to assist clients with cost effective and timely solutions to their design and construction needs. During Larry's 16-year term as Weitz' Southwest Business Unit President, individual project capability grew from projects no greater than $17 million to projects over $70 million. He advised many clients on cost effective solutions beginning at the concept stage continuing with selecting material, systems and construction details through the construction drawing stage to meet the client's needs. Larry was recognized as one of the Company leaders in developing and delivering best of class preconstruction phase services.

Larry's experience includes project services in 15 states and many product types including multifamily, single family, office, retail, hospitality, storage, warehouse, golf club, industrial and government. Larry's selection and delivery method experience includes competitive bid and design build but his experience is mostly construction manager at risk under which Weitz was an active member with the owner and architect during the design phase to assist in developing a design that best met the owner's needs, budget and schedule, with the partnership continued into the construction phase with Weitz serving as general contractor.

Kristjan Sigurdsson is a LEED Accredited Professional and has been a Registered Architect in Arizona since 1998 with leadership positions such renowned firms as Archicon and K&I Architects since 1990. Since starting K&I Homes in 2008, Kristjan has been focused on developing new and innovative concepts for multifamily housing prototypes that will provide the basis for the new generation of living units to be built over the next decades. Recognizing the tremendous overall value of Building Information Modeling (BIM) Kristjan made significant investment in the new technology and devoted the time and resources for his multi-family design team to become experts in the process. BIM is a collaborative intelligent 3-D model based process that integrates all of the architectural, structural, MEP and other building components into a single 3-D model that provides the project team the ability to identify, visualize and resolve conflicts throughout the design process, resulting in projects that are built faster and at less cost.

Continuing the development of internal collaborative BIM procedures and processes, to manage projects faster, and more economically, Kristjan has embraced the new BIM powered collaboration called IPD, or Integrated Project Delivery. IPD is a highly effective collaboration among the owner, architect, and contractor from the early design phase through construction and occupancy. In that way the project benefits from the input of knowledgeable parties early, when changes to the design are relatively easy and inexpensive to make.

Jeff Jones' primary focus since college has been researching emerging trends in demographics, psychographics, and technology and how to create a new business model to generate above market returns. This philosophy has been the driving mechanism in his career.

After graduating college in 1992 Jeff went to work for the Dietz Organization and his emerging trends focus immediately paid dividends, as Jeff was the first broker to recognize to-be-formed REITS and closed over $100M (1992 dollars) of UP-REIT apartment transactions.

Jeff left Michigan for Arizona in 1994 and became an apartment agent at Marcus & Millichap in which he closed over 45 transactions totaling $105 million in a four year period. In 1998, Jeff formed the Jones Group Real Estate Services, LLC (JGRES) and Jones Group Real Estate Development, LLC (JGRED). JGRED under Jeff's leadership became a pioneer in the luxury student housing industry, building over 2,940 beds of urban mixed-use high density luxury student housing. JRED went completely against the general consensus and built mixed-use urban student projects with very large units vs. consensus of building suburban building with small unit square footage. Jeff's concept proved to be significantly more profitable than the consensus over the last 14 years.

JGRED then turned its focus to building urban transportation oriented luxury units catering to echo boomers and baby boomers. JGRED acquired numerous parcels of land along the light rail in Metropolitan Phoenix beginning in 2003 but recognized the construction cost escalation and overbuilding trend; consequently did not break ground on any projects. JGRED has utilized this downtime to work in conjunction with renowned architect Kristjan Sigurdsson to develop urban BIM models to maximize density, eliminate building conflicts and dramatically lower construction costs associated with urban projects.

To date Jeff Jones as principal of JGRES has closed over $459M in apartment transactions, developed as principal of JGRED over $148.2M in urban mixed use luxury student housing, and developed or acquired over $56.3M in commercial projects. A summary of Jones' apartment development experience follows.

Relevant to the development of The Blue, Jeff's prior experience includes the development of two Arizona properties with design similar to, or more complex than The Blue. Most similar is the Stone Avenue Standard, a 3 story, 68 unit, 224 bed urban building with 6,500 SF of commercial space on the ground floor. This Tucson property was fully leased with a waiting list by completion of construction, and has remained effectively fully leased every year since, with a waiting list maintained.

Stone Avenue Standard Photographs:

Appendices

Preliminary Plans and Elevations

Preliminary plans and elevations are available in a secure document vault online.

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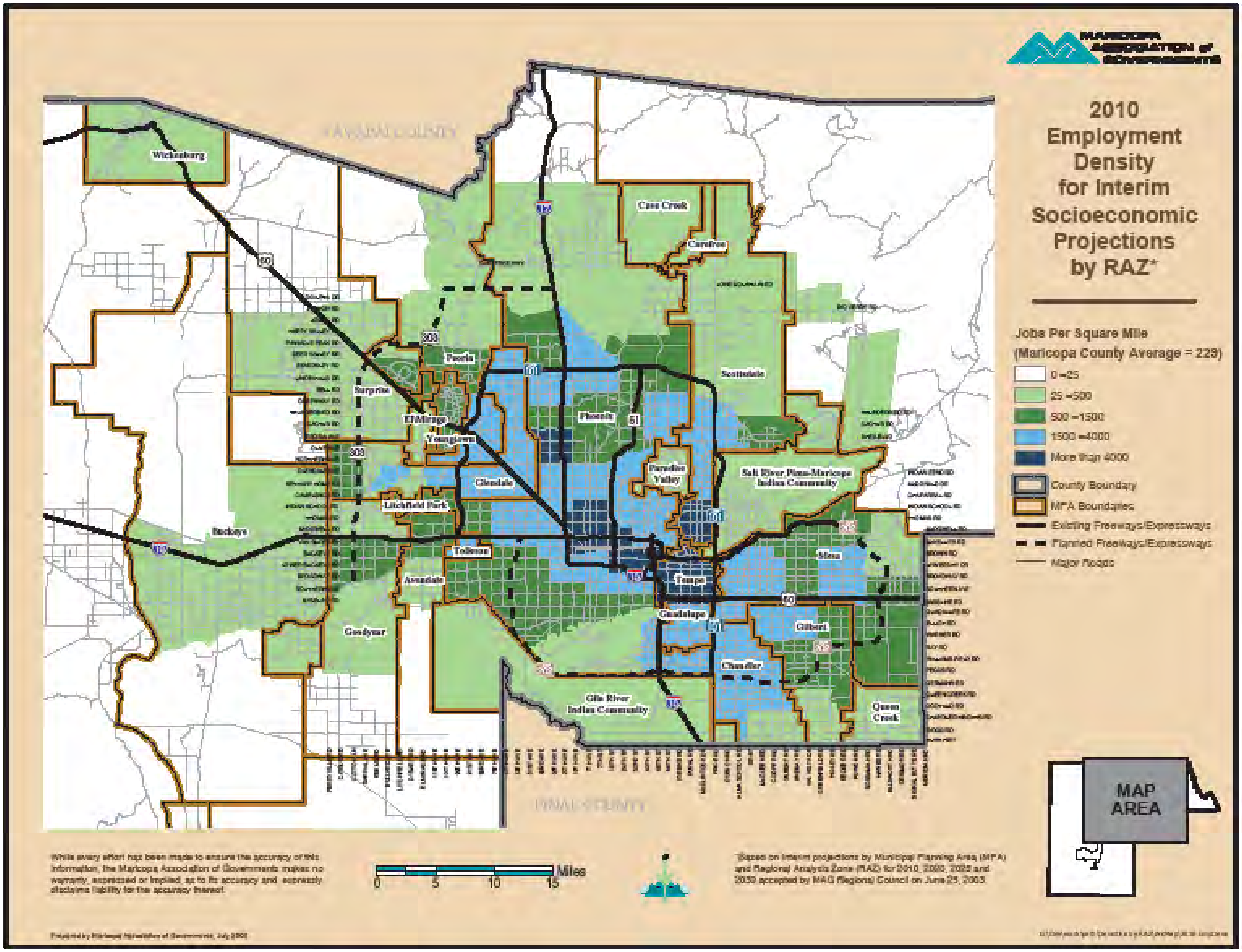

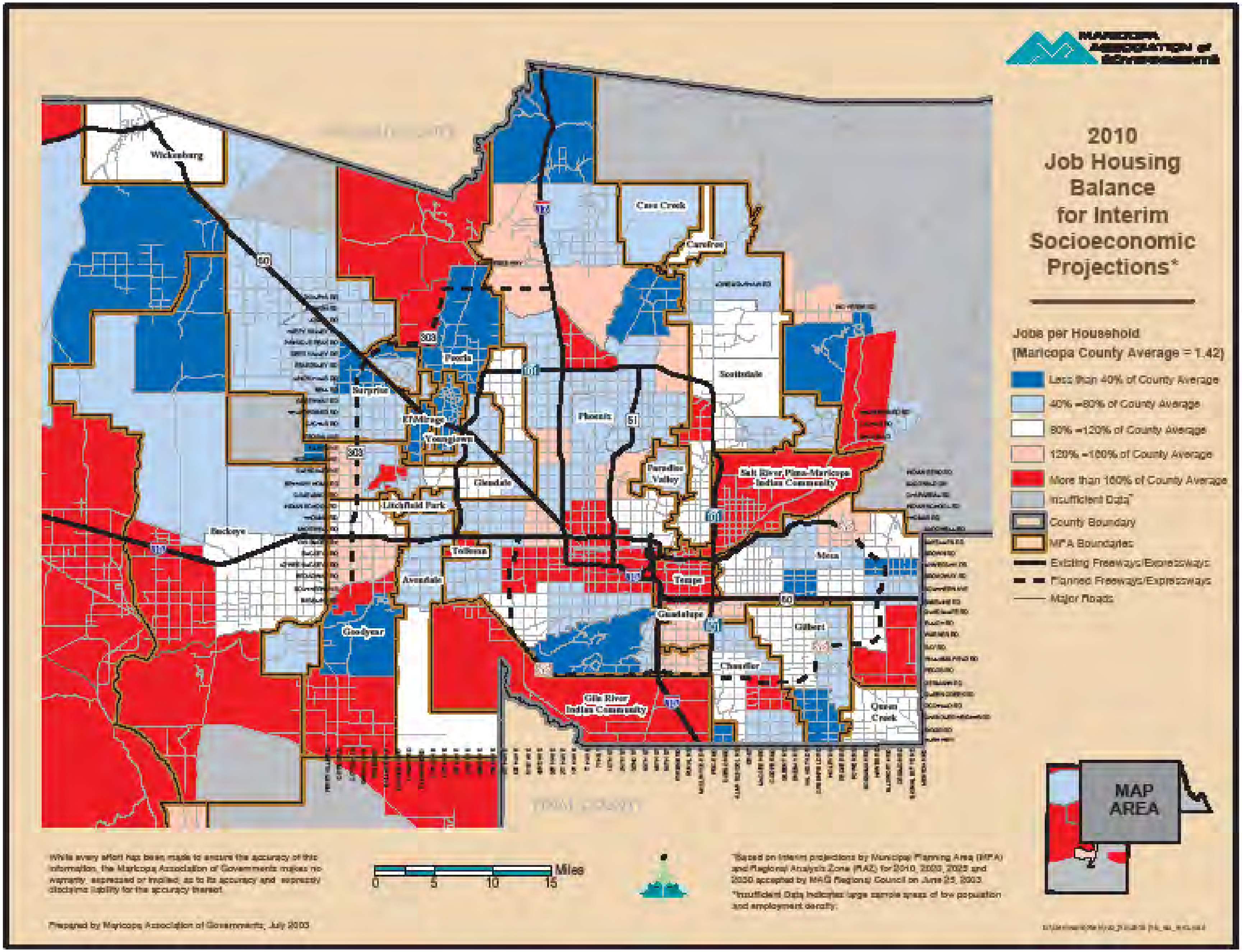

While every effort has been made to ensure the accuracy of this information, the Maricopa Association of Governments makes no warranty, expressed or implied, as to its accuracy and expressly disclaims liability for the accuracy thereof.

Prepared by Maricopa Association of Governments, July 2003

*Based on interim projections by Municipal Planning Area (MPA) and Regional Analysis Zone (RAZ) for 2010, 2020, 2025 and 2030 accepted by MAG Regional Council on June 25, 2003.
*Insufficient Data indicates large sample areas of low population and employment density.

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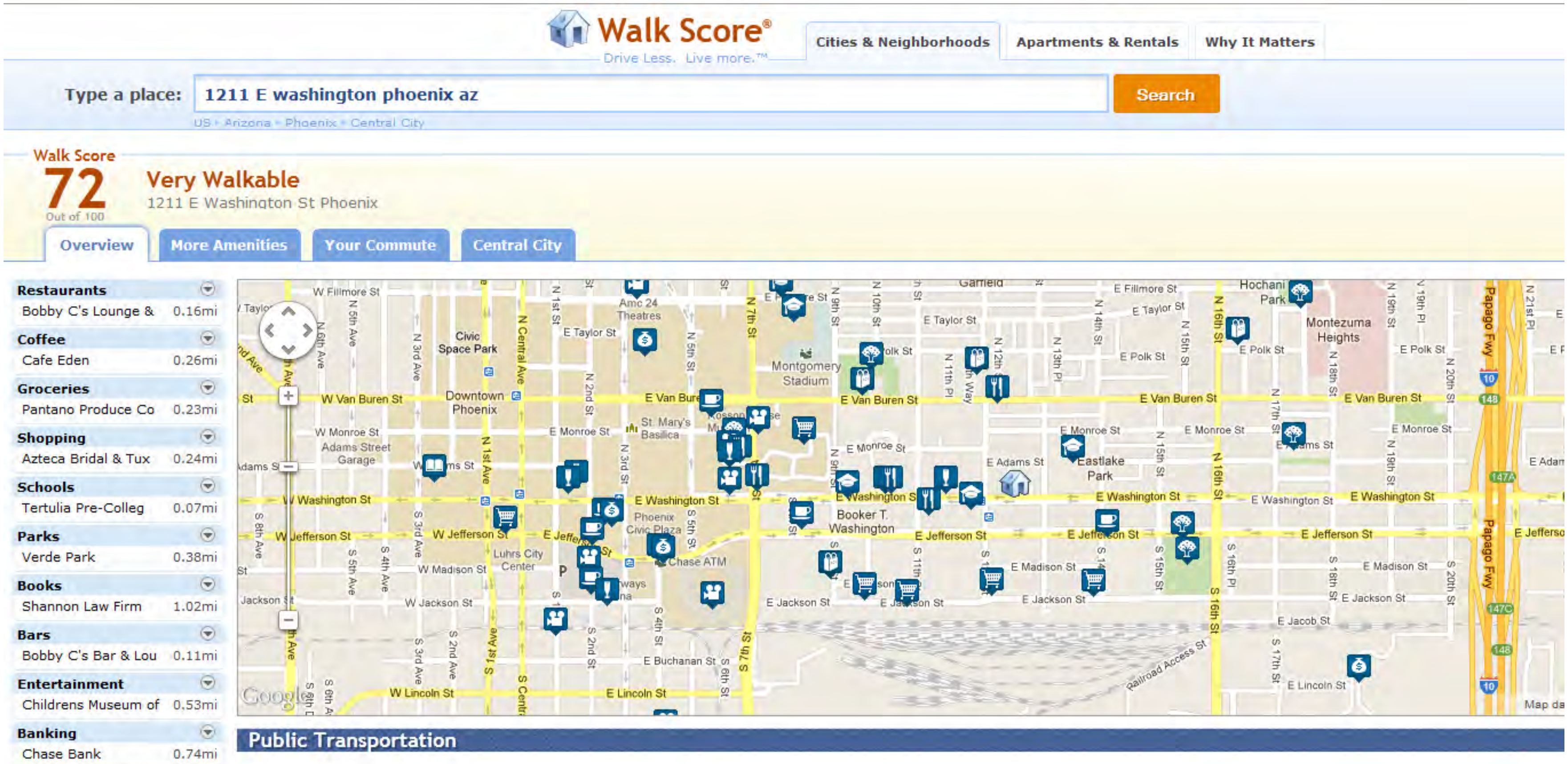
THE JONES GROUP

METROPOLITAN PHOENIX
A' QUALITY - AVERAGE APARTMENT RENTAL RATE HISTORY
2nd Quarter 2011

			INVENTORY		AVG.	NET RENT - NO UTILITIES														Peak to	Percent	% Increase	Trough to	Percent	Peak to	Percent
		SUB-MARKET	BWRP	TOTAL	SQ. FT.	Q4 '05	Q4 '06	Q4 '07	Q4 '08	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q2 '10	Q3 '10	Q4 '10	Q1 '11	Q2 '11	Trough	Change	Peak Rents	Today	Increase	Today	Change
1	1N	North Scottsdale	1,882	2,287	1,025	0	1,125	1,101	1,009	982	940	924	962	975	1,000	1,046	1,060	1,062	1,060	(201)	-18%	22%	136	15%	(65)	-6%
2	1S	South Scottsdale	334	334	928	1,252	1,341	1,266	1,072	1,012	1,074	987	1,081	1,061	1,131	1,159	1,152	1,131	1,151	(354)	-26%	36%	164	17%	(191)	-14%
3	2N	N. Paradise Valley	790	790	1,056	1,248	1,143	1,221	1,098	1,131	1,051	1,146	1,061	1,052	1,163	1,036	1,147	1,148	1,250	(197)	-16%	19%	199	19%	2	0%
4	2S	S. Paradise Valley																								
5	3	North Mountain	498	514	1,022	1,002	959	986	935	867	852	838	822	850	887	912	875	898	973	(180)	-18%	22%	151	18%	(29)	-3%
6	4N	NW Black Canyon	128	128	928	863	801	821	839	839	839	839	826	826	839	839	839	667	653	(209)	-24%	32%	0	0%	(209)	-24%
7	4S	Metrocenter	184	205	703	0	905	921	918	843	847	754	784	785	798	762	752	752	725	(196)	-21%	27%	0	0%	(196)	-21%
8	5	Peoria / Sun City	2,263	2,562	896	923	931	953	804	818	823	819	830	812	823	750	786	814	880	(203)	-21%	27%	130	17%	(73)	-8%
9	6	Glendale	957	1,050	1,015	0	0	1,038	901	875	864	887	921	909	960	949	961	946	943	(174)	-17%	20%	79	9%	(95)	-9%
10	7	Central Black Canyon																								
11	8	N. Central Phoenix / Alhambra	506	606	920	791	684	692	708	683	651	563	571	583	607	671	693	735	715	(228)	-29%	41%	152	27%	(76)	-10%
12	9	NE Central Phoenix	671	826	987	888	985	957	877	828	888	832	774	830	789	807	866	888	916	(210)	-21%	27%	141	18%	(69)	-7%
13	10	East Central Phoenix	2,421	2,693	916	889	918	931	871	823	796	717	736	731	740	771	769	829	835	(214)	-23%	30%	118	16%	(96)	-10%
14	11	Central Phoenix / Encanto	1,518	1,807	921	926	924	930	787	794	830	810	833	850	830	832	862	829	966	(143)	-15%	18%	180	23%	37	4%
15	12	West Central Phoenix																								
16	13	Maryvale / Estrella	1,228	1,285	916	703	804	782	733	755	717	745	717	756	732	680	724	739	765	(124)	-15%	18%	85	13%	(39)	-5%
17	14	Central City / Sky Harbor	1,236	1,247	870	936	975	922	917	902	885	909	938	873	952	971	994	1,030	1,068	(90)	-9%	10%	183	21%	93	10%
18	15N	S. Phoenix / Laveen	470	470	979	842	927	879	869	818	815	790	737	805	865	816	789	788	804	(189)	-20%	26%	67	9%	(122)	-13%
19	15S	Ahwatukee Foothills	2,265	2,384	998	926	910	862	844	818	798	828	762	799	851	931	922	936	959	(163)	-18%	21%	196	26%	33	4%
20	16N	North Tempe	3,037	3,859	845	1,080	1,127	1,101	1,070	1,055	1,080	1,036	969	967	943	947	954	1,073	1,074	(184)	-16%	20%	131	14%	(53)	-5%
21	16S	South Tempe	1,784	1,784	1,002	822	895	910	861	813	796	811	809	826	861	834	816	879	984	(114)	-13%	14%	188	24%	74	8%
22	17N	North Mesa	340	340	869	808	786	967	784	769	804	764	850	850	807	935	1,020	829	843	(202)	-21%	26%	79	10%	(123)	-13%
23	17S	South Mesa	1,510	1,723	967	824	776	777	732	665	723	736	720	699	708	723	729	802	775	(159)	-19%	24%	110	17%	(49)	-6%
24	18N	East Mesa / Apache Junction	200	200	975	848	857	868	866	711	783	864	831	859	789	877	899	922	914	(157)	-18%	22%	203	29%	47	5%
25	18S	Gilbert / Superstition Springs	1,338	2,539	984	818	900	933	889	811	806	771	766	770	790	834	847	870	850	(167)	-18%	22%	84	11%	(83)	-9%
26	19E	S. Gilbert / Queen Creek	1,577	3,109	860	805	861	836	748	740	731	739	740	676	737	798	806	835	789	(185)	-21%	27%	113	17%	(71)	-8%
27	19W	Chandler	2,945	5,843	952	825	858	844	773	782	736	746	718	744	790	822	838	840	858	(139)	-16%	19%	140	19%	0	0%
28	20	Goodyear / Avondale	1,356	7,191	923	858	873	827	792	741	730	745	756	718	732	775	749	780	774	(155)	-18%	22%	56	8%	(99)	-11%
29	21E	Union Hills / Cave Creek	3,660	4,892	904	944	976	955	907	904	883	850	863	881	862	911	905	927	905	(94)	-10%	11%	55	6%	(39)	-4%
30	21W	Deer Valley / N. Peoria	3,329	5,161	948	941	926	879	905	853	836	813	830	831	845	890	872	889	908	(128)	-14%	16%	94	12%	(33)	-4%

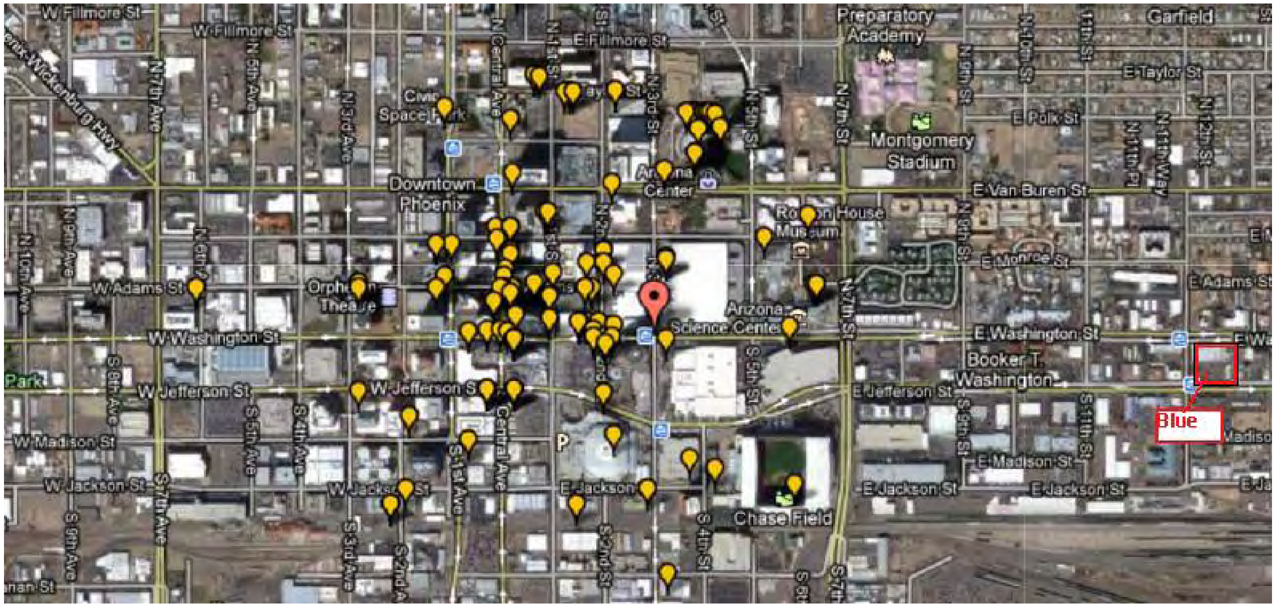
Walk Score Neighborhood Amenities

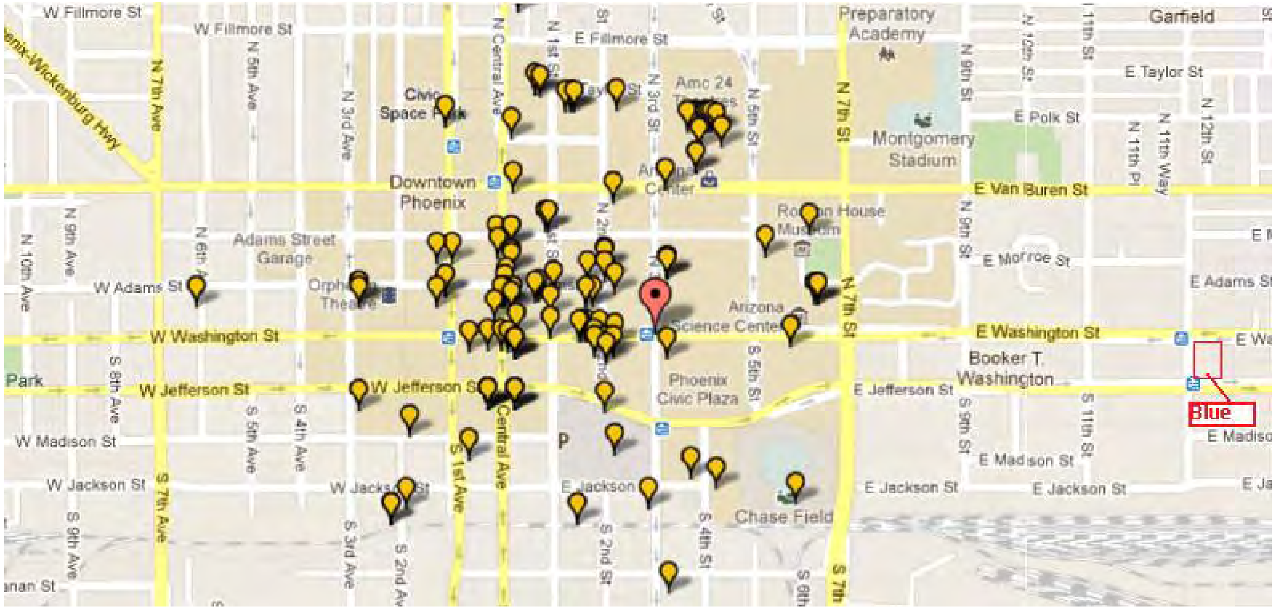


The Blue

E Pierce St
W Fillmore St
E Fillmore St
E Taylor St
Amc 24 Theatres
Civic Space Park
Garfield
Montgomery Stadium
E Polk St
W Van Buren St
E Van Buren St
Downtown Phoenix
St. Mary's Basilica
W Monroe
Adams Street Garage
E Monroe St
E Adams St
Eastlake Park
W Washington St
E Washington St
Booker T. Washington
Phoenix Civic Plaza
W Jefferson St
E Jefferson St
W Madison St
E Madison St
Chase ATM
E Jackson St
N 7th Ave
N 6th Ave
N 5th Ave
4th Ave
N 3rd Ave
N Central Ave
N 1st St
N 2nd St
N 3rd St
N 5th St
N 6th St
N 7th St
N 9th St
N 10th St
N 11th St
N 11th Pl
N 12th St
N 13th St
N 13th Pl
N 14th St
N 15th St
S 5th Ave
S 4th Ave
S 3rd Ave
S 5th St
S 11th St
S 15th St

Aerial & Map – Downtown Restaurants





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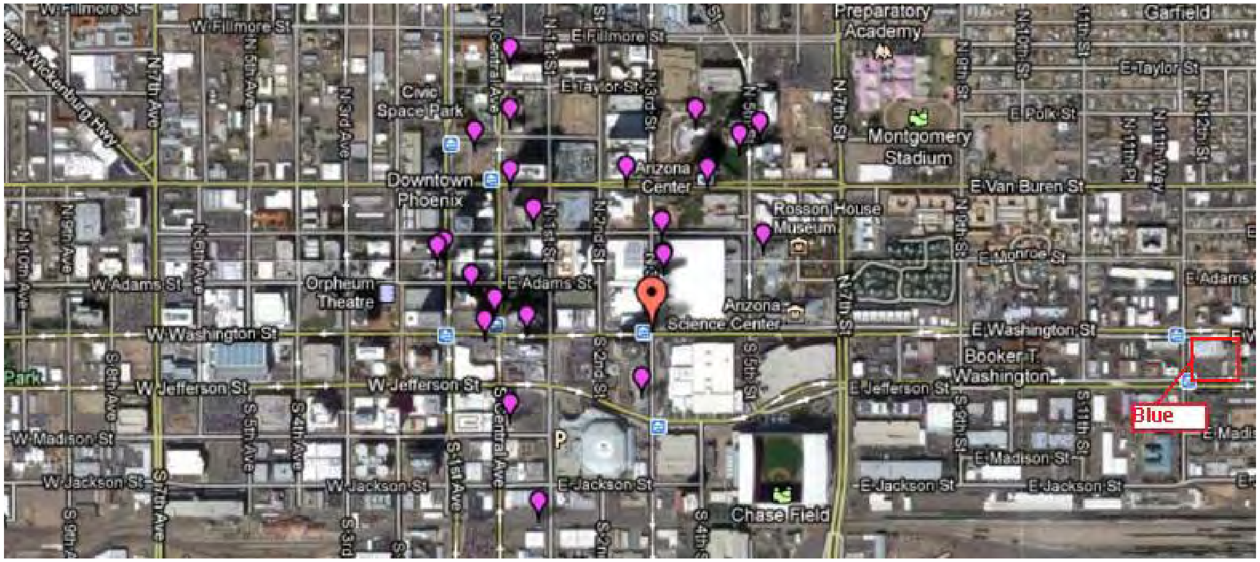
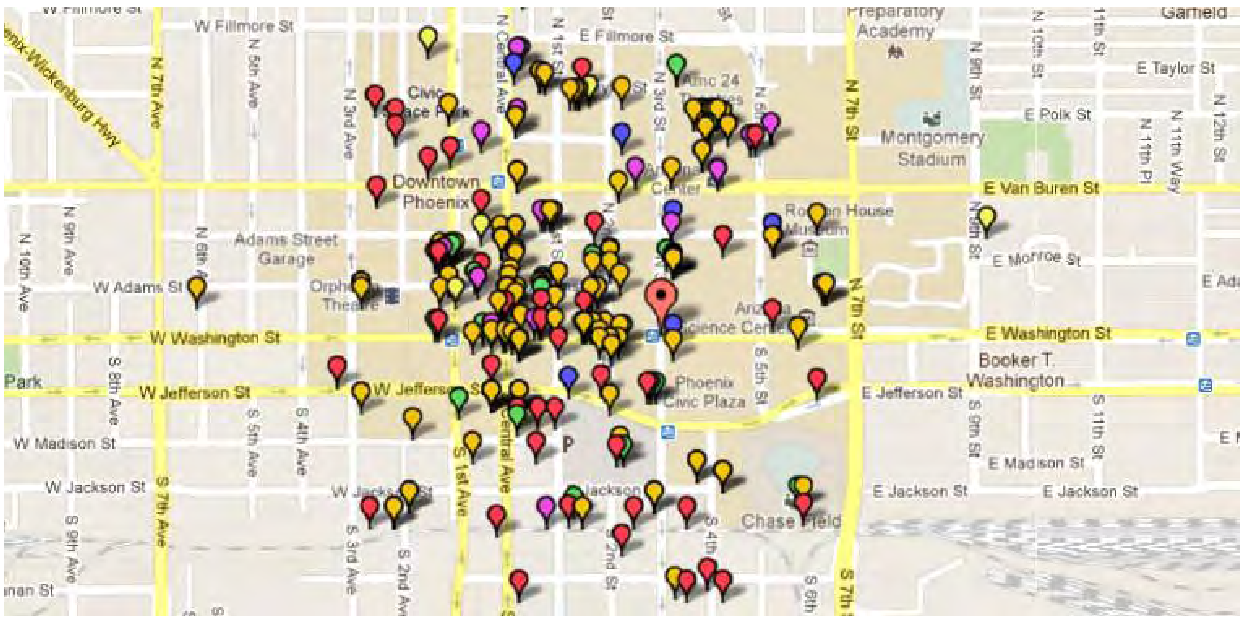
Aerial & Map – Downtown Culture & Entertainment





Detailed apartment market information

Detailed Market information is available in a secure document vault online.

Metro Light Rail Map

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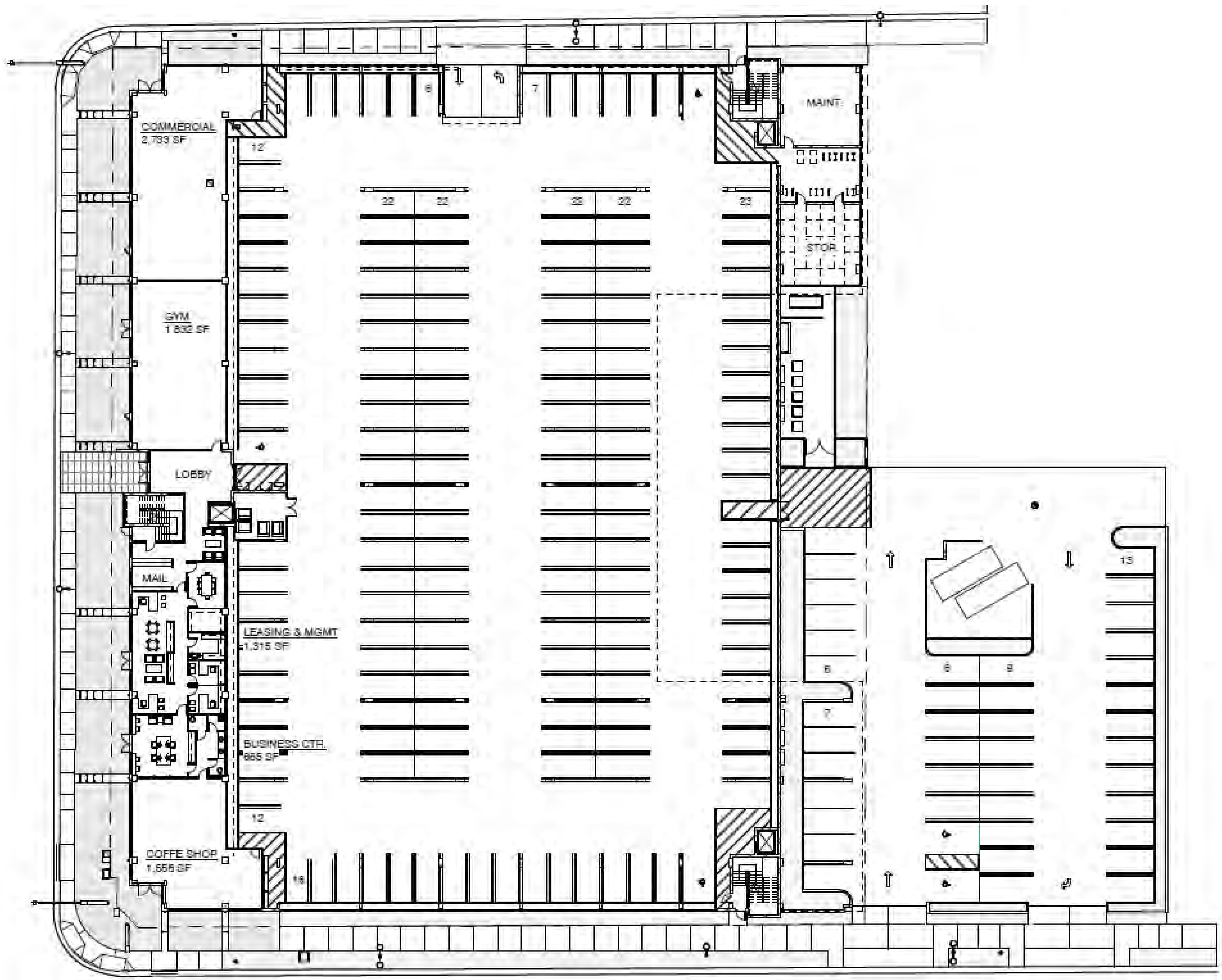

Site Plan

Floor Plan