J. L. CRAFT & ASSOCIATES

REAL ESTATE APPRAISAL AND CONSULTATION

911 West Anderson Lane, Suite 117
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March 25, 2005

Mr. Michael Smith
THC Program Manager
ABIA Noise Mitigation Office
2716 Spirit of Texas Drive, Room 113
Austin, Texas 78719

RE: Sunscape Apartments
2426 West Cardinal Loop
Austin, Texas

ABIA Noise Mitigation Project
Parcel # 109; THC# 03ABIA09
FAA Project# N4062M

Dear Mr. Smith:

My opinions and conclusions in my appraisal of the Sunscape Apartments with an effective date of appraisal of January 10, 2005 and date of report of January 12, 2005 would not change if the ownership changes from Sunscape Partnership, a California Partnership to:

> Sunscape Partnership, a California General Partnership; Christopher A. Cole and S. M. Cole as Co-Trustees of the Chris and Suzie Cole Living Trust dated April 25, 2000, and any amendments thereto; Ronald Jeha, Trustee for the Ronald Jeha 1991 Family Trust; Richard Jeha, Trustee for the Jeha Family Trust; William Kartozian, Trustee for the William F. Kartozian Living Trust; W. Conrad Hoskins for the Hoskins Ranch, LLC; and Harold Kaemerle, Jr.

Respectfully submitted,

J. L. CRAFT, MAI, PH.D.
State Certified Appraiser TX-1320255-G

APPRAISAL OF SUNSCAPE APARTMENTS
2426 WEST CARDINAL LOOP
AUSTIN, TRAVIS COUNTY, TEXAS
EFFECTIVE DATE OF APPRAISAL: JANUARY 10, 2005
DATE OF REPORT: JANUARY 12, 2005

Prepared for
THC, INC.
ABIA NOISE MITIGATION OFFICE
2716 SPIRIT OF TEXAS DRIVE, ROOM 113
AUSTIN, TEXAS 78719

Prepared by
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January 12, 2005

Mr. Michael Smith
THC Program Manager
ABIA Noise Mitigation Office
2716 Spirit of Texas Drive, Room 113
Austin, Texas 78719

RE: Sunscape Apartments
2426 West Cardinal Loop
Austin, Texas

ABIA Noise Mitigation Project
Parcel # 109; THC# 03ABIA09
FAA Project# N4062M

Dear Mr. Smith:

This is update of an appraisal that had an effective date of appraisal of June 29, 2004 and a date of report of July 6, 2004. The purpose of this update is to form an opinion of market value with a current effective date of appraisal. The client, intended users, intended use, property rights appraised, definition of market value, relevant property characteristics, highest and best, and applicable approaches are unchanged from the original report. Property information, exhibits, and other supporting data may be found in the original report.

The update incorporates the original report by reference; new market data and any changes in my opinions and conclusions are included in this new report.

My opinions and conclusions are based on certain assignment conditions noted in the following sections of the original report: *Jurisdictional Exception Rule, Assumptions and Limiting Conditions*, and *Scope of Work*.

This report was prepared in conformity with the rules of the Texas Real Estate Commission, the *Uniform Standards of Professional Appraisal Practice*; FAA Regulations; and, to the extent appropriate, the *Uniform Appraisal Standards for Federal Land Acquisition*.

My opinion of the market value of the fee simple estate of the identified property, subject to the assumptions set forth in the attached report with an effective date of appraisal of January 10, 2005, is:

SEVEN MILLION NINE HUNDRED THOUSAND DOLLARS
($7,900,000)

Attached is a copy of my new report; it should be attached to the original report.

Respectfully submitted,

J. L. Craft, PH.D., MAI
State Certified Appraiser TX-1320255-G

CERTIFICATION

Sunscape Apartments
2426 West Cardinal Loop

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my 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.
- my analyses, opinions, and conclusions were developed, and this report was prepared in conformity with the rules of the Texas Real Estate Commission, the *Uniform Standards of Professional Appraisal Practice*; FAA Regulations; and, to the extent appropriate, the *Uniform Appraisal Standards for Federal Land Acquisition*.
- 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 Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant real property appraisal assistance to the person signing this certification.
- as of the date of this report, I, J. L. Craft, have completed the continuing education program of the Appraisal Institute.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

In my opinion, the market value of the fee simple estate of the subject property representative of market conditions on January 10, 2005 is as follows:

SEVEN MILLION NINE HUNDRED THOUSAND DOLLARS
($7,900,000)

J. L. CRAFT, PH.D., MAI

U.S Department of Transportation
Federal Aviation Administration

CERTIFICATE OF APPRAISER

Airport – *Austin Bergstrom International Airport*	Project Number *N4062M*	Parcel No. *109 - 03ABIA09 Sunscape Apartments*
	Project Location – *Austin, Texas*	

I hereby certify:

That on *May 12, 2004, June 29, 2004, and January 10, 2005,* I personally made a field inspection of the property herein appraised and that I have afforded the property owner the opportunity to accompany me at the time of inspection. I have also personally made a field inspection of the comparable sales relied upon in making said appraisal. The subject and the comparable sales relied upon in making said appraisal were as represented by the photographs contained in said appraisal or in the data book or report that supplements the appraisal.

That to the best of my knowledge and belief the statements contained in the appraisal attached hereto are true and the information contained therein upon which the opinion of value expressed below is based is correct, subject to the limiting conditions set forth in the appraisal.

That I understand this market value appraisal is to be used in connection with the acquisition of land for an airport project by *THC, Inc.* with the assistance of FAA funds or other Federal funds. .

That such appraisal has been made in conformity with the appropriate State laws, regulations, policies, and procedures applicable to appraisal of land for such purposes, and that to the best of my knowledge no portion of the value assigned to such property consists of items which are non-compensable under the established law of said State.

That any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within reasonable control of the owner, has been disregarded in determining the compensation for the property.

That neither my employment nor my compensation for making this appraisal are in any way contingent upon the values reported herein.

That I have no direct or indirect, present or contemplated, future personal interest in such property or in any benefit from the acquisition of such property appraised.

That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the acquiring agency of said Airport or officials of the FAA and I will not do so until so authorized by said officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

That the conclusion set forth in this appraisal is our independent opinion of the value of the property as of *January 10, 2005,* and that such conclusion was reached without collaboration or direction as to value.

It is my opinion that the market value of the above captioned real property is as follows:

Value before acquisition	*$7,900,000*
Value after acquisition	*N/A*
Value difference	*N/A*

The property has been appraised for its fair market value as though owned in fee simple, or as encumbered only by the existing easement in favor of recorded parties in the attached title commitment.

The opinion of value expressed above is the result of and is subject to the data and conditions described in detail in this report of 33 pages plus Addenda.

Date of contract *July 28, 2003*

Typed name J. L. Craft, Ph.D, MAI

Signature J L Craft

Date 1/12/05

Note - Other statements, required by the regulations of an appraisal organization of which the appraiser is a member or by circumstances connected with the appraisal assignment or the preparation of the appraisal, may be inserted where appropriate.

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Attachments

New Market Data & Photographs
Income Statements and Rent Roll for Subject

SUNSCAPE APARTMENTS
2426 WEST CARDINAL LOOP
AUSTIN, TRAVIS COUNTY, TEXAS

ABIA NOISE MITIGATION PROJECT
PARCEL # 109; THC # 03ABIA09
FAA PROJECT# N4062M

PREMISES

Client:	THC, Inc.
Intended Users:	THC, Inc. & City of Austin
Intended Use:	To assist THC, Inc. and the City of Austin in analysis of the subject property for the Austin-Bergstrom Noise Mitigation Program
Purpose of Appraisal:	To form an opinion of the market value of the subject property
Subject Property:	Sunscape Apartments located at 2426 West Cardinal Loop
Legal Description:	8.624 acres out of the Santiago Del Valle Ten League Grant, Abstract No. 24 in Travis County, Texas
TCAD No.:	03-1531-0317
Owner:	Sunscape Partnership, a California Partnership
Definition of Market Value:	The price which the property would bring when its offered for sale by one who desires, but is not obligated to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable and for which it either is or in all reasonable probability will become available within the reasonable future. From the *Court Case of City of Austin vs. Cannizzo, et al, 267 S.W.2d 808, 815 (1954)*
Property Rights Appraised:	Fee Simple Estate
Effective Date of Appraisal:	January 10, 2005
Date of Report:	January 12, 2005
Type of Report/Appraisal:	Self-Contained/Complete
History of Subject:	The subject property, known as the Sunscape Apartments, was acquired by the current owners in 1992 from RTC. The price was not revealed by the owners. A current rent roll, leases, and income information for the last five years were provided.

PROPERTY CHARACTERISTICS

SITE

Area: 8.624 acres

Curbcuts: Four curb cuts on Cardinal Loop

Frontage: 743.41′ on Cardinal Loop; Crozier Lane on the north side of the property is a private road, formerly used by Del Valle I.S.D. and now owned by the City of Austin.

Shape: Approximately rectangular

Dimensions: 743.41′ x 514.92′ x 846.31′ x 483.26′

Topography: Level to gently rolling for most of the tract.

Drainage: Appears adequate

Flood Hazard Area: None of the site is within a 100 year floodplain (FEMA Map 48453C0130 E. effective date June 16, 1993).

Watershed: Colorado River Watershed, a Suburban watershed.

Soils: Houston Black Clay, 0 to 1 percent slopes. These are level to gently rolling soils. (*Soil Survey of Travis County, Texas*, published by the Department of Agriculture, Soil Conservation Service)

Utilities: All available to site

Zoning: The site is zoned "I-RR" – Interim Rural Residential. This is a zoning which is placed on tracts in which no clear development is evident or inadequate infrastructure exists or were part of limited annexation.

Taxes: The property's tax Id. No. is: 03-1531-0317. Below are the 2004 assessed values and tax rates.

YEAR 2004		***YEAR 2004 RATES***	
ASSESSED VALUE		***JURISDICTION***	***RATE***
		City of Austin	0.4430
Land	$375,487	Travis County	0.4872
Improvements	$3,817,345	Del Valle ISD	1.8063
TOTAL	$4,192,832	TOTAL Year 2003	2.7365

Surrounding Uses Surrounding uses are the former Del Valle school complex, currently owned the City of Austin. To the east is Bergstrom Arms, an apartment project; along S.H. 71 is a variety of commercial development. On the south side of S.H. 71 is Austin-Bergstrom International Airport.

IMPROVEMENTS

The Sunscape Apartments were constructed in 1984. It is a complex of 15 buildings with 216 apartment units; there are fourteen 2-story apartment buildings and a single-story office/club house. Information is from plans, inspection, and a report by Bill Schenck of *Coffee Crier Schenck & Hammond Architects*. See original report for further description.

Apartment Unit Distribution

Unit Type	Number	% Units	Description	Area (SF)	Total (SF)
A	40	18.5%	Efficiency	399	15,960
B	48	22.0%	1BR/1BA	542	26,016
C	32	15.0%	1BR/1BA	648	20,736
D	24	11.0%	2BR/1BA	818	19632
E	40	18.5%	2BR/2BA	901	36,040
F	32	15.0%	2BR/2BA	980	31,360
	216			Apartment Units	149,744
				Laundry/Storage	1,400
				Office/Club House	1,745
				TOTAL AREA	152,889

JURISDICTIONAL EXCEPTION RULE

The Jurisdictional Exception Rule of USPAP applies with respect to S.R. 1-2(c), S.R. 1-3(a), and S.R. 1-4(f). In forming my opinions and conclusions, I disregarded any decrease or increase in the market value of the real property prior to the date of valuation caused by the public project for which the property may be acquired or by the likelihood that the property would be acquired for such project, other than that due to physical deterioration within the reasonable control of the property owner. My opinions and conclusions are not linked to a specific exposure time.

The property is in *Airport Overlay Zone* 2. Uses within Airport Overlay Zone are restricted and controlled. No residential uses are permitted. Schools and hotels/motels are permitted if measures are used to achieve a Noise Level Reduction of 25 DB. Churches, government services, parking, offices (business & professional), wholesale and retail of building materials or hardware or farm equipment, retail trade, communication are permitted without restriction. General manufacturing and photographic and optical are permitted without restriction.

The property is also within the ***Horizontal Zone*** of Compatible Hazard Zoning for ABIA (established by Ordinance No. 940421-J), which is an area that is a horizontal plane of 150 feet above the established airport elevation; no improvement (or tree) may be built in excess of that height. Furthermore, no use is permitted which would create an electrical interference with navigational signals or radio communications, make it difficult to distinguish airport lights from other lights, create glare or impair visibility, create bird strike hazards, or in any other way interfere with airport operations.

As the Airport Overlay Zones are considered a result of the public project, they have been disregarded in forming my opinions and conclusions.

ASSUMPTIONS & LIMITING CONDITIONS

This appraisal is subject to the following assumptions:

1. Title to the ownership interest appraised being free of easements, encumbrances, leases, liens, restrictions and other limitations, except as noted. Typical financing, as may customarily be secured for the purchase of the type property being appraised, has been considered.

2. Title to the ownership interest appraised being "good and marketable."

3. The property being under responsible ownership and competent management.

4. There being no hidden and/or unapparent soil or subsurface conditions, which, if known, would render the property's title more or less valuable.

5. The subject property has "I-RR" zoning; the property can continue as a legal use as an apartments project indefinitely.

The appraisal and this report are subject to the following limiting conditions:

1. The appraiser is not a registered surveyor or engineer; hence, no responsibility or liability is assumed or accepted for any matter that might be disclosed by a proper survey.

2. The appraiser is not qualified to render an "opinion of title"; hence, no responsibility is accepted or assumed for matters of a legal nature affecting the property. The title to the property has been appraised assuming it to be marketable and free of encumbrances, except as noted.

3. The appraiser is not qualified to detect the presence of potentially hazardous materials such as urea-formaldehyde foam insulation, asbestos, and toxic wastes. A Phase I ESA by Sunland Group prepared June 2004 concluded:

   > Since no environmental concerns were found for this Property, there are no recommendations for additional investigation or for remediation of potential environmental issues.

4. All photographs, sketches, and diagrams within and attached to this or the original report or in the work file are for illustrative purposes, intended to assist a reader in visualizing the property. While believed to accurately represent the property or a concept regarding the property, they are not guaranteed to be exact.

5. The land areas reported herein were obtained from sources deemed reliable. While the appraiser has checked them, they are neither guaranteed nor warranted by the appraiser. The appraiser reserves the right to amend any opinion, recommendation, and/or value conclusion based on an area found to be in error.

6. Information, estimates, and opinions used by the appraiser in forming his recommendations, opinions, and conclusions were obtained from sources thought reliable. While believed to be factual and correct, the accuracy of the information is neither guaranteed nor warranted by the appraiser and the appraiser and reserves the right to amend his conclusions if they are proved to be based on misinformation.

7. No commercial value of mineral interests is known.

8. The bylaws and regulations of the Appraisal Institute govern disclosure of the contents of this document. As such, this report and its use are subject to review by duly authorized representatives of this organization.

9. The appraiser has been informed that the City of Austin generally requires the Grantor provided either a General or Special Warranty when conveying real property to the City. In the event a purchase is unsuccessful, the City will acquire the real property by eminent domain and will not receive a General or Special Warranty from the Condemnee. The City Attorney's Office will include all parties shown as "owners" in the title Commitment in the eminent domain proceeding. Therefore, it is my opinion there is no difference in market value between the two acquisition procedures.

SCOPE OF WORK

This appraisal was conducted in accordance with the *Uniform Appraisal Standards for Federal land Acquisitions* and the *Uniform Standards of Professional Appraisal Practice1* (except to the extent that the *Uniform Appraisal Standards for Federal Land Acquisitions* required invocation of USPAP's Jurisdictional Exception Rule as described in Section D-1 of the *Uniform Appraisal Standards for Federal land Acquisitions*); Code of Professional Ethics of the Appraisal Institute; and FAA regulations.

THC, Inc. contacted the owner or owner's representative for permission to inspect the property and provided the owner or owner's representative with the opportunity to be present at the inspection. The exterior and interior of the property were inspected on May 12, 2004. The exterior was re-inspected on June 29, 2004 and January 10, 2005.

As the improvements are nearly twenty years old, the Cost Approach is omitted. The Sales Comparison Approach and Income Approach were used. The Rent Comparables were updated to the effective date of appraisal, current rental information on the subject property was used, and sales of apartment complexes were researched. One sale was found that was considered relevant, and it was added to the three sales used in the original report.

HIGHEST AND BEST USE

Apartment Market. The Austin apartment market began to soften in 2000/2001 with vacancy rates increasing and rent concessions given; however, the current market is on the upswing and expectations of growth are high. Below is a comparison of Class C occupancies and rents in the south and southeast areas of Austin with city-wide rents.

CLASS C OCCUPANCY & RENTS – 3rd QUARTER 2004

	Occupancy	Rent/SF/Mo
South	90.48%	$0.76
Southeast	88.51%	$0.67
Travis County	89.34%	$0.76

Source: Austin Investor Interests

Below is a comparison of rents by unit types in the southeast market.

COMPARISON OF RENTS BY UNIT TYPE: SOUTHEAST MARKET				
3rd Quarter 2004				
Unit Type	*% of Market*	*Size*	*Rent*	*Rent/SF*
EFF	4%	440	$418	$0.95
1 Bedroom	55%	650	$512	$0.79
2 Bedroom	39%	964	$665	$0.69
3+ Bedroom	2%	1,278	$910	$0.71
Source: Austin Investor Interests				

Rents and occupancies are sufficient for the subject improvements to have continued economic use as an apartment complex.

As Vacant. The subject site is not located on a major thoroughfare and only has adequate access by secondary roads. It is located by an apartment complex to the east, the Del Valle I.S.D. Bus Barn to the northwest, and highway commercial uses along S. H. 71. Given these characteristics, multi-family, office/warehouse, flex space, or business-park is the highest and best use.

As Improved. The improvements have remaining economic life and are in average condition for age. The Income Statements for 1999 and through 2004 show market occupancy and rents, which reflect the continued demand for multi-family units in the Austin region. The highest and best use as improved is for continued use as an apartment project.

INCOME APPROACH

CONTRACT RENTS

The rents from the rent roll are summarized in the following table; current rent roll and Income Statement ending August 31, 2004 attached.

UNIT BREAKDOWN WITH CONTRACT RENTS

Building	Units	Type	Bedrooms/ Baths	Unit SF	Building Rentable Size (SF)	Contract Average Mo. Rent	Contract Average Rent/SF
A	8	B-2	2/2	901	7,208	$625	$0.69
B	16	B	2/1	818	13,088	$575	$0.70
C	8	B	2/1	818	6,544	$575	$0.70
D	16	B-2	2/2	901	14,416	$625	$0.69
E	16	B-2	2/2	901	14,416	$625	$0.69
F	16	B-3	2/2	980	15,680	$645	$0.66
G	16	B-3	2/2	980	15,680	$645	$0.66
H	16	A	1/1	542	8,672	$445	$0.82
I	16	A	1/1	542	8,672	$445	$0.82
J	16	E	1/1 eff.	399	6,384	$400	$1.00
K	16	A	1/1	542	8,672	$445	$0.82
L	24	E	1/1 eff.	399	9,576	$400	$1.00
M	16	A-1	1/1	648	10,368	$495	$0.76
N	16	A-1	1/1	648	10,368	$495	$0.76
TOTAL	216			693	149,744	$521	$0.75

MARKET RENT

Seven rent comparables were used, all in the southeast area of Austin. The rent comparables are competitive with the subject and similar in property and unit amenities.

SUMMARY OF RENT COMPARABLES

Comparable	Project	# Units	Type	Unit Size	Unit Rent	Rent/SF	Occupancy
1	Worthing Ridge	25	Eff	518	$560	$1.08	
		62	1-1	630	$599	$0.95	
		24	1-1 study	728	$765	$1.05	~90%
		40	2-1	925	$925	$1.00	
		56	2-2	1,020	$765	$0.75	
		16	3-2	1,263	$1,049	$0.83	
2	Worthing Hills	48	1-1	660	$575	$0.87	
		40	1-1	705	$600	$0.85	
		30	1-1	710	$600	$0.85	~87%
		48	2-1	860	$710	$0.83	
		50	2-2	1,000	$840	$0.84	
		40	2-2	1,016	$840	$0.83	
3	University Heights	112	1-1	700	$505	$0.72	
		48	1-1	747	$510	$0.68	
		36	1-1	760	$560	$0.74	
		78	2-1	932	$700	$0.75	
		26	2-1.5	1,184	$720	$0.61	
		36	2-2	1,316	$760	$0.58	~92%
		12	3-2	1,387	$1,100	$0.79	
		3	4-2	1,864	$1,250	$0.67	
		5	5-2	1,864	$1,250	$0.67	
4	Lafayette Landing	21	Eff	500	$469	$0.94	
		31	Eff	524	$509	$0.97	
		38	1-1	625	$519	$0.83	~88%
		33	1-1	675	$559	$0.83	
		20	1-1	700	$619	$0.88	
		20	2-1	1,000	$749	$0.75	
5	Whisper Hollow	40	1-1	474	$505	$1.07	
		40	1-1	564	$560	$0.99	
		60	1-1	648	$585	$0.90	
		24	2-1	728	$625	$0.86	~86%
		16	2-1	832	$675	$0.81	
		32	2-2	948	$775	$0.82	
		8	2-2	1,080	$895	$0.83	
6	Tollgate Creek	12	Eff	435	$539	$1.24	
		4	1-1	654	$599	$0.92	
		24	1-1	694	$599	$0.86	
		12	1-1	726	$659	$0.91	~98%
		36	2-1.5	902	$799	$0.89	
		24	2-2	918	$799	$0.87	
7	Longhorn Station	10	Eff	400	$485	$1.21	
		84	1-1	700	$510	$0.73	
		34	2-1	800	$610	$0.76	~68%
		171	2-2	912	$685	$0.75	
		1	2-2	1,600	$1,400	$088	

In the following analysis, the rent is considered on the basis of the rent/SF; the monthly rent is rounded to the nearest $10 per month.

1-1 Efficiency Units - 399 SF

COMPARISON FOR SUBJECT'S 1-1 EFFICIENCY UNITS						
Comparable	**Project**	**# Units**	**Type**	**Unit Size**	**Unit Rent**	**Rent/SF**
1	Worthing Ridge	25	Eff	518	$560	$1.08
4	Lafayette Landing	21	Eff	500	$469	$0.94
5	Whisper Hollow	40	1-1	474	$505	$1.07
6	Tollgate Creek	12	Eff	435	$539	$1.24
7	Longhorn Station	10	Eff	400	$485	$1.21
	Subject	**40**	**1-1 eff**	**399**	**$400**	**$1.00**

Considering the location of the subject, the rent for the 1-1 efficiency units is considered to be $400 per month. The rents from the leases for the efficiencies range from $370 to $429; with concessions the rents range from $333 to $420.

1-1 Units - 542 SF & 648 SF

COMPARISON FOR SUBJECT'S 1-1 UNITS						
Comparable	**Project**	**# Units**	**Type**	**Unit Size**	**Unit Rent**	**Rent/SF**
1	Worthing Ridge	62	1-1	630	$599	$0.95
2	Worthing Hills	48	1-1	660	$575	$0.87
		40	1-1	705	$600	$0.85
		30	1-1	710	$600	$0.85
3	University Heights	112	1-1	700	$505	$0.72
		48	1-1	747	$510	$0.68
		36	1-1	760	$560	$0.74
4	Lafayette Landing	38	1-1	625	$519	$0.83
		33	1-1	675	$559	$0.83
		20	1-1	700	$619	$0.88
5	Whisper Hollow	40	1-1	474	$505	$1.07
		40	1-1	564	$560	$0.99
		60	1-1	648	$585	$0.90
6	Tollgate Creek	4	1-1	654	$599	$0.92
		24	1-1	694	$599	$0.86
		12	1-1	726	$659	$0.91
7	Longhorn Station	84	1-1	700	$510	$0.73
	Subject	**32**	**1-1**	**542**	**$460**	**$0.85**
	Subject	**32**	**1-1**	**648**	**$520**	**$0.80**

The comparable rentals indicate a range from $0.73/SF to $1.07/SF for 1-1 units. The current subject rents are within the range of reasonable and considered at market.

2-1 Units - 818 SF

COMPARISON FOR SUBJECT'S 2-1 UNITS						
Comparable	**Project**	**# Units**	**Type**	**Unit Size**	**Unit Rent**	**Rent/SF**
2	Worthing Hills	48	2-1	860	$710	$0.83
3	University Heights	78	2-1	932	$700	$0.75
5	Whisper Hollow	24	2-1	728	$625	$0.86
		16	2-1	832	$675	$0.81
6	Tollgate Creek	36	2-1.5	902	$799	$0.89
7	Longhorn Station	34	2-1	800	$610	$0.76
	Subject	**24**	**2-1**	**818**	**$700**	**$0.85**

The comparable rentals indicate a range from $0.76/SF to $0.89/SF for 2-1 units. With concessions the subject 2-1 units rent for $575 to $625 per month.

2-2 Units - 901 SF & 980 SF

COMPARISON FOR SUBJECT'S 2-2 UNITS						
Comparable	**Project**	**# Units**	**Type**	**Unit Size**	**Unit Rent**	**Rent/SF**
1	Worthing Ridge	56	2-2	1,020	$765	$0.75
2	Worthing Hills	50	2-2	1,000	$840	$0.84
		40	2-2	1,016	$840	$0.83
4	Lafayette Landing	20	2-2	1,000	$749	$0.75
5	Whisper Hollow	32	2-2	948	$775	$0.82
		8	2-2	1,080	$895	$0.83
6	Tollgate Creek	24	2-2	918	$799	$0.87
7	Longhorn Station	171	2-2	912	$685	$0.75
	Subject	**40**	**2-2**	**901**	**$720**	**$0.80**
	Subject	**32**	**2-2**	**980**	**$750**	**$0.77**

The comparable rentals indicate a range from $0.75/SF to $0.87/SF for 2-2 units. The rents (from the current leases) indicate rates from $599 to $715 per month.

Based on the comparables the following are the estimated market rents for each of the type of units.

MARKET RENT ESTIMATE

Building	Units	Type	Unit SF	Rentable Size (SF)	Market Mo. Rent	Market Average Rent/SF	Monthly Gross Rental Income
A	8	B-2	901	7,208	$720	$0.80	$5,760
B	16	B	818	13,088	$700	$0.85	$11,200
C	8	B	818	6,544	$700	$0.85	$5,600
D	16	B-2	901	14,416	$720	$0.80	$11,520
E	16	B-2	901	14,416	$720	$0.80	$11,520
F	16	B-3	980	15,680	$750	$0.77	$12,000
G	16	B-3	980	15,680	$750	$0.77	$12,000
H	16	A	542	8,672	$460	$0.85	$7,360
I	16	A	542	8,672	$460	$0.85	$7,360
J	16	E	399	6,384	$400	$1.00	$6,400
K	16	A	542	8,672	$460	$0.85	$7,360
L	24	E	399	9,576	$400	$1.00	$9,600
M	16	A-1	648	10,368	$520	$0.80	$8,320
N	16	A-1	648	10,368	$520	$0.80	$8,320
TOTAL	216		693	149,744	$576	$0.83	$124,320

VACANCY & COLLECTION LOSS

A typical income property will suffer some vacancy as tenancy changes and the possibility of some collection loss during its economic life. The subject property has a strong rental history with typical vacancy. Expense for management use of two units, the model unit, and staff unit is deducted as an expense and is not considered a vacancy. Current leases indicate 76% occupancy (165 units); however, occupancy reflects one shop/employee unit, two employee units, and one model as vacant. Average occupancy from the seven rent comparables is 85%; the average occupancy for the southeast market, Class C apartments from Austin Investor Interests is 85.6%. The outlook for 2005 is good, as occupancy has increased over the last quarter.

Based on the history of the subject, the rent comparables, and the southeast market, occupancy of 90% is considered appropriate.

EXPENSES

Expenses include utilities (electricity for common area, water and gas) taxes, insurance, management, repairs, trash, advertising, insurance, and exterior maintenance. Reserves for replacement of appliances are excluded, as the capitalization rates of the sales do not reflect them.

Expenses were based on the actual history of the subject property and the expenses from the comparable sales. Expenses for the years 1999-2004 were provided. Real estate taxes for the subject were based on comparison of the subject's assessed value with the 2004 assessed values of the four sales used in the Sales Comparison Approach. The total adjustments from that approach were applied to the price per unit of assessed value for the three sales in order to estimate a stabilized tax-expense for the subject.

TAX COMPARABLES					
COMPARABLE	2004 AV	# UNITS	AV/UNIT	ADJUSTMENTS	INDICATION
SUNSCAPE	$4,192,832	216	$19,411		
#1 - TOLLGATE CREEK	$2,982,072	112	$26,626	-2.00%	$26,093
#2 - UNIVERSITY CREST	$3,000,000	105	$28,571	+3.00%	$29,428
#3 - WINDCREST	$1,300,000	58	$22,414	+24.00%	$27,793
#4 - VILLAS OF LA COSTA	$6,366,400	204	$31,208	-7.00%	$29,023

Discussion with TCAD indicates that the AV of the subject will probably increase to be more in line with the AV of the comparables. Based on the historical assessed value and the comparables, $5,000,000 ($23,128/unit) is used as a stabilized AV for the subject. Using the tax rate of 2.74 per $100 the subject taxes are estimated to be $137,000.

Below are the expenses per square foot for the three sales uses in the Sales Comparison Approach and the subject expenses in my income statement.

EXPENSES: COMPARABLE SALES	
Comparable	*Expense Ratio*
1	54.2%
2	55.4%
3	58.6%
4	53.1%
Subject	50.7%

The subject's estimated expenses are slightly lower than the range of the expense ratios of the comparables, but conform to the general range in the market.

NET OPERATING INCOME

The NOI estimate for the subject is $676,156. Below is the stabilized income statement.

RECONSTRUCTED INCOME STATEMENT					
Potential Rental Income			$1,491,840		
LESS: Vacancy Loss		10.00%	($149,184)		
Effective Rental Income			$1,342,656		
Miscellaneous Income			$28,000		
Effective Gross Income			$1,370,656		
Expenses					
Utilities				*$/SF*	*%EGI*
Electricity	$30,000			$0.20	2.2%
Gas	$46,000			$0.31	3.4%
Water	$85,000			$0.57	6.2%
Trash	$7,500			$0.05	0.5%
Maintenance	$75,000			$0.50	5.5%
Advertising	$14,000			$0.09	1.0%
Office Operations	$15,000			$0.10	1.1%
Payroll	$140,000			$0.93	10.2%
Management/Staff/Model	$100,000			$0.67	7.3%
Property Taxes	$137,000			$0.91	10.0%
Insurance	$45,000			$0.30	3.3%
Total Expenses			$694,500	$4.63	50.7%
Net Operating Income			$676,156	$4.52	

CAPITALIZATION

The overall rates from the three sales are as follows (information on data sheets). The capitalization rates recognize investors' anticipation of increasing rents and occupancies over the holding period.

CAPITALIZATION RATES FROM SALES		
Comparable	*Cap Rate*	*DERIVATION*
1	8.7%	
2	8.7%	Based on reported rent, occupancy, and expenses/SF (atos)
3	8.1%	
4	7.7%	

Based on the comparables a capitalization rate of 8.4% is applied to the subject.

CONCLUSION

With a NOI of $676,156 and an 8.4% capitalization rate, my opinion of value from the Income Approach is $8,050,000 (rd).

SALES COMPARISON APPROACH

Four sales were used for comparison and analysis in this approach; they are presented below.

SUMMARY OF APARTMENT SALES

Sale	1	2	3	4
Project	**Tollgate Creek**	**University Crest**	**Windcrest**	**Villas of Las Costa**
Address	2124 Burton Drive	1616 Royal Crest Drive	5005 Manor Road	1016 Camino La Costa
TCAD #	03-0705-0312	03-0506-0108	02-1718-0520	02-2814-0401
Date of Sale	08/30/2001	07/09/2003	3/21/2003	5/14/2004
Document #	2001150216	2003162952	2003062683	2004097472
Total Price	$3,800,000	$3,700,000	$1,660,000	$7,500,000
Terms	Cash to seller	Cash to seller	Cash to seller	Cash to seller
Overall Rate	8.7%	8.7%	8.1%	7.7%
Occupancy	85%	93%	90%	91%
Expenses/SF	$4.45	$4.55	$4.00	$4.10
OER	54.2%	55.4%	58.6%	53.1%
Year Built	1973	1968	1967	1978
Class	Class C	Class C	Class C	Class C
Construction	Average	Average	Average	Average
Condition	Average for age	$25,000 credit for repairs	Average for age	Average for age
Property Amenities	Pool, Laundry room	Pool, Laundry rooms, Clubhouse	Pool, Laundry room	Pool, Laundry rooms,
Unit Amenities*	R, S, DW, D, CF, P/B, MB	R, S, DW, D, CF, MB	R, S, DW, D, CF, P/B, MB	R, S, DW, D, CF, P/B, MB
# of Units	112	105	58	204
Net Rentable Area	87,696	83,990	47,846	159,160
Land Area (acres)	3.747	4.86	2.23	7.61
Project Density	29.9	21.6	26.0	26.8
Average Unit Size	783	800	825	780
Price/SF NRA	$43.33	$44.05	$34.69	$47.12
Price/Unit	$33,928	$35,238	$28,621	$36,765

*R: Refrigerator S: Stove/range DW: Dishwasher D: Disposal CF: Ceiling fans P/B: Patio/Balcony MB: Mini-blinds

Sale #1. The Tollgate Creek Apartments are located at 2124 Burton Drive. The project consists of 112 units, with efficiencies, 1-1's and 2-2's, built in 1973. Average unit size is 783 SF and average rent at date of sale was $630/month or $0.80/SF/month and occupancy was about 85%. It was purchased by Intergroup Tollgate Creek, Inc. on August 30, 2001 for $3,800,000, cash to seller, which is $43.33/SF of rentable area or $33,928 per unit. It was in average condition at time of sale. Current rents average $706/month or $0.92/SF/month.

Sale #2. The University Crest Apartments are located at 1616 Royal Crest Drive. The project consists of 105 units, with 1-1's, 2-1's, and 2-2's, built in 1968. Average unit size is 800 SF and average rent at date of sale was $600/month or $0.75/SF/month and occupancy was about 93%. It was purchased by San Diego Medical Buildings, LLC on July 9, 2003 for $3,700,000, cash to seller, which is $44.05/SF of rentable area or $35,238 per unit. It was in average condition at time of sale and the buyer was given $25,000 ($238 per unit) credit for minor repairs. Current rents average $552/month or $0.69/SF/month.

Sale #3. The Windcrest Apartments are located at 5005 Manor Road. The project consists of 58 units, with 1-1's, 2-2's, and 2-1.5s, built in 1967. Average unit size is 825 SF and average rent at date of sale was $521/month or $0.63/SF/month. It was purchased by Windcrest Apartments, Ltd on March 21, 2003 for $1,660,000, cash to seller, which is $34.69/SF of rentable area or $28,621 per unit. It was in average condition at time of sale. Current rents average $666/month or $0.81/SF/month.

Sale #4. The Villas of La Costa are located at 1016 Camino La Costa. The project consists of 204 units, with 1-1's, 1-1's with lofts, 1-1's with dens, and 2-2's built in 1978. Average unit size is 780 SF and average rent at date of sale was $551/month or $0.71/SF/month. It was purchased by Babay Family I, LLC on May 14, 2004 for $7,500,000, cash to seller, which is $47.12/SF of rentable area or $36,765 per unit. It was in average condition at time of sale. Current rents average $755/month or $0.98/SF/month.

Comparison and Analysis

Unit of Comparison. The appropriate units of comparison are the price per square foot of rentable area and the price per unit, as these are the units used by participants in the apartment market. Both are considered and compared in the reconciliation of this approach.

Elements of Comparison. The sales were first analyzed on the basis of property rights, conditions of sale, terms (financing), and market conditions in order to derive an adjusted price per square foot and price per unit. Then the comparables were compared and analyzed on the basis of what the market recognizes with respect to commercial use for the following characteristics: location, unit mix, average unit size, property amenities, unit amenities, age, and condition. Project amenities are considered similar, as Class C projects have pools, laundry rooms, play areas, and on-site management office. Unit amenities are similar with range/stove, refrigerator, garbage disposals, dishwashers, blinds, and ceiling fans.

Property Rights/Conditions of Sale/Terms. The properties sold in fee simple with typical apartment leases in place. Conditions of sale were arms length, and terms in each case were cash to seller. Hence no adjustments for these elements are required.

Market Conditions. The comparables cover a period from August 2001 to May 2004, with two selling in 2003. The apartment market softenedin 2000/2001 and stabilized in 2003. Sales #2 and #3 that sold in 2003 are in the current market period and do not require an adjutment for market conditions. Sale #2 sold on May 25, 2001 for $3,350,000, but required roof replacement at a cost of $200,000. Using an adjusted price of $3,550,000 and comparing it to the sale for $3,700,000 on July 9, 2003 indicates a 2% increase (straightline) per year. Sale #1 is adjusted +4% for two years, bring it to the 2003-2004 market of Sales #2, #3, and #4.

Age/Condition. The subject ws build in 1984 and Sales #1, #2, #3, and #4 were built in 1973, 1968, 1967, and 1978, respectively. The sales are adjusted upward 1% per year, reflecting long economic lives with good maintenance. The sales are in average conditon for age; Sale #2 had a credit of $25,000 for repairs. This is

$0.30/SF and $238 per unit, which is less than one percent of each unit of comparison. Therefore no adjustment for conditons were made.

Average Unit Size. The average unit size affects the price per unit, as two complexes with the same total area could have different numbers of units. The subject's average unit size is 693 SF. The sales range from 783 SF to 825 SF in average unit size. Using 800 SF for the comparables, the subject project would have 187 units or a decrease of 13%. This is applied to each comparable for the average size of units and number of total units that affects the price per unit.

Location. Sales #1 and #2 are located in an area east of I-35 and south of Riverside Drive that has a large number of apartments and a conformity of use. Sale #4 is located east of I-35 and north of U.S. 290 in an area with offices, apartments, and along I-35 restaurants and hotels. They are considered similar to the subject project. Sale #3 is located east of the former Robert Mueller Airport in an area west of Ed Bluestein Boulevard that is not developed with the same conformity of apartment projects. It is considered inferior to the subject.

> *Price/SF.* After other adjustments Sales #1, #2, and #4 indicate $50.02/SF, 51.10/SF and $49.95/SF, while Sale #3 indicates $40.59/SF. The differences are $9.43/SF, $10.51/SF, and $9.36/SF. Using a difference of $10.00/SF in comparison to the $34.69/SF base for Sale #3 indicates an adjustment of +29%.
>
> *Price/Unit.* After other adjustments Sales #1, #2, and #4 indicate $34,579/unit, $36,295/unit $34,191/unit, while Sale #3 indicates $29,766/unit. The differences are $4,813/unit, $6,529/unit and $4,425/unit. Using a difference of $5,600/unit in comparison to the $28,621/unit base for Sale #3 indicates an adjustment of +20%.

Below is a summary of the Adjustments.

SUMMARY OF SALES

SALE	#1		#2		#3		#4	
	P/SF	P/UNIT	P/SF	P/UNIT	P/SF	P/UNIT	P/SF	P/UNIT
UNIT PRICE	$43.33	$33,928	$44.05	$35,238	$34.69	$28,621	$47.12	$36,765
PROPERTY RIGHTS	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CONDITIONS OF SALE	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
FINANCING	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TIME	+4%	+4%	-0-	-0-	-0-	-0-	-0-	-0-
ADJUSTED PRICE/SF	$45.06	$35,285	$44.05	$35,238	$34.69	$28,621	$47.12	$36,765
AGE	+11%	+11%	+16%	+16%	+17%	+17%	+6%	+6%
CONDITION	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
AVERAGE UNIT SIZE	-0-	-13%	-0-	-13%	-0-	-13%	-0-	-13%
LOCATION	-0-	-0-	-0-	-0-	+29%	+20%	-0-	-0-
TOTAL ADJUSTMENT	+11%	-2%	+16%	+3%	+46%	+24%	+6%	-7%
INDICATED PRICE/UNIT	$50.02	$34,579	$51.10	$36,295	$50.65	$35,490	$49.95	$34,191

The comparables indicate a range from (1) $50.02/SF to $51.10/SF with a mean of $50.43/SF, and (2) $34,191/unit to $36,295/unit with a mean of $35,139.

Based on the comparables and analysis, indications of $51.00/SF and $35,500/unit are selected, and applied to the subject as follows:

VALUE INDICATIONS BY PRICE/SF & PRICE/UNIT

Size (SF)		*Price/SF*		*Indication*	*Reconciled*
149,744	x	$51.00	=	$7,640,000 (RD)	
					$7,700,000
# Units		*Price/Unit*		*Indication*	
216	x	$35,500	=	$7,700,000 (RD)	

Considering both indications, my opinion of value from the Sales Comparison Approach is $7,700,000.

RECONCILIATION & FINAL OPINION OF VALUE

As the property is a 20-year old, Class C apartment project, the Cost Approach was not used. The Sales Comparison Approach and Income Approach were used with sufficient data found for their reliable application. The value indications from the Sales Comparison Approach and Income Approach are as follows:

Income Approach:	$8,050,000
Sales Comparison Approach:	$7,700,000

Sales Comparison Approach. Four sales of large Class C apartment projects, two in the southeast market, one in the east market, and one in the northeast market were analyzed with in-depth information about rents and expenses at time of sale, financing, condition, amenities, and price. Sales from other areas were considered, but did not provide for more reliability due to location or difference of class and age. Both the price per square foot and the price per unit were applied. Adjustments were made for market conditions, age, unit size (for price per unit only), and location.

Income Approach. Five years of income and expense history of the subject property were provided, along with a current rent roll and current leases. Seven rent comparables were used to estimate market rent, and an overall rate was derived from the sales. The capitalization rate reflected a credible range of 7.7% to 8.7% and is consistent with investor expectation of the future apartment market.

Both the Sales Comparison Approach and Income Approach are credible and reliable with adequate data, both with respect to comparables and the subject property, for analysis and application of the two approaches.

Based on this investigation and study, my opinion of the market value of the fee simple estate of the identified property, subject to the assumptions set forth in the attached report with an effective date of appraisal of January 10, 2005, is:

SEVEN MILLION NINE HUNDRED THOUSAND DOLLARS
($7,900,000)

ATTACHMENTS

Agent's Initials	Parcel #	Apt #	Tenant's Name	Apt Type	Rent Schedule	Actual Rent Amt	Move-In Date
	Building A						
SD	**109.A-101**	101	Mary Jane and Ruben Haros	B-2	$625.00	$625.00	03/14/2004
SD	**109.A-102**	102		B-2	$625.00		
SD	**109.A-103**	103	Martin Lara	B-2	$675.00	$625.00	07/01/2003
SD	**109.A-104**	104	Stephanie and Ronald Reed	B-2	$625.00	$625.00	06/30/2004
SD	**109.A-201**	201		B-2	$625.00		
SD	**109.A-202**	202	Brenda Crawford and Ryan Talavera	B-2	$625.00	$625.00	06/11/2004
SD	**109.A-203**	203	Roger Reyes	B-2	$625.00	$625.00	11/03/2000
SD	**109.A-204**	204		B-2	$625.00		
	Building B						
SD	**109.B-101**	101	Evangela Roy and Curtis Nuells	B	$625.00	$625.00	08/29/2003
SD	**109.B-102**	102	Robert Lewis	B	$575.00	$575.00	05/08/2004
SD	**109.B-103**	103	Kendall Cloud	B	$575.00	$575.00	01/09/2004
SD	**109.B-104**	104	Hugo Alberto Soto Aguilar and Mary Lou Zamora	B	$575.00	$575.00	12/03/2004
SD	**109.B-105**	105	Santos Bonilla	B	$575.00	$555.00	01/16/2004
SD	**109.B-106**	106	James Roy	B	$625.00	$625.00	08/08/2003
SD	**109.B-107**	107		B	$575.00		
SD	**109.B-108**	108	Danielle Ford	B	$575.00	$553.00	01/31/2003
SD	**109.B-201**	201	Trulena Childs	B	$575.00	$575.00	08/27/2004
SD	**109.B-202**	202	Dione Lewis	B	$575.00	$553.00	11/15/2002
SD	**109.B-203**	203	Eleana Diaz	B	$575.00	$555.00	03/12/2004
SD	**109.B-204**	204		B	$575.00		
SD	**109.B-205**	205	Jennifer Lopez	B	$575.00	$575.00	04/09/2004
SD	**109.B-206**	206	Bonnie Herrera Flores	B	$575.00	$575.00	09/03/2004
SD	**109.B-207**	207	Jennifer and Miguel Torres	B	$575.00	$560.00	07/27/2000
SD	**109.B-208**	208	Melissa and Isaac Hernandez	B	$575.00	$575.00	10/10/2003
	Building C						
EP	**109.C-101**	101	Weldon Farmer	B	$575.00	$553.00	02/01/2003

Agent's Initials	Parcel #	Apt #	Tenant's Name	Apt Type	Rent Schedule	Actual Rent Amt	Move-In Date
SD	**109.M-107**	107	Olga Lopez	A-1	$540.00	$490.00	05/14/2004
SD	**109.M-108**	108	Eleanor Storm	A-1	$520.00	$520.00	10/26/2002
SD	**109.M-201**	201	Steven Brooks	A-1	$520.00	$490.00	08/16/2004
SD	**109.M-202**	202	Carl Gathers	A-1	$490.00	$490.00	01/17/2004
SD	**109.M-203**	203	Cecilia Rodriguez	A-1	$490.00	$490.00	04/23/2004
SD	**109.M-204**	204	Phil Anderson	A-1	$490.00	$475.00	12/13/2002
SD	**109.M-205**	205	Robert Noel	A-1	$540.00	$490.00	05/28/2004
SD	**109.M-206**	206	Gloria Arteaga	A-1	$470.00	$470.00	09/18/1998
SD	**109.M-207**	207	Deloris Cavanaugh	A-1	$490.00	$490.00	11/21/2003
SD	**109.M-208**	208	Rosalie Lee	A-1	$495.00	$475.00	04/03/2002

Building N

EP	**109.N-101**	101	Johnny Mancha	A-1	$490.00	$490.00	03/19/2004
EP	**109.N-102**	102		A-1	$540.00		
EP	**109.N-103**	103	Veronica Soto	A-1	$490.00	$490.00	02/27/2004
EP	**109.N-104**	104	Wallace Altom	A-1	$540.00	$540.00	08/16/2002
EP	**109.N-105**	105	Faye Houston	A-1	$490.00	$540.00	07/19/2004
SD	**109.N-106**	106	Samuel Sarfo	A-1	$495.00	$445.00	01/14/2003
EP	**109.N-107**	107	Anabell Riojas	A-1	$490.00	$490.00	09/10/2004
EP	**109.N-108**	108	Bill Saunders	A-1	$490.00	$450.00	02/06/1999
EP	**109.N-201**	201	Benjy Edmond	A-1	$495.00	$490.00	03/29/2004
EP	**109.N-202**	202	Jerome Reese	A-1	$495.00	$495.00	08/30/2002
EP	**109.N-203**	203	Augusto Pires	A-1	$490.00	$490.00	02/27/2004
EP	**109.N-204**	204	Randy Russell	A-1	$490.00	$490.00	11/05/1999
EP	**109.N-205**	205		A-1	$490.00		
EP	**109.N-206**	206	Jose Torres, Kimberly Coleman, Doris Brown	A-1	$495.00	$490.00	10/29/2004
EP	**109.N-207**	207	Wilfredo Suazo	A-1	$490.00	$490.00	03/01/2004
EP	**109.N-208**	208	Johnny Brooks and Megan Reed	A-1	$490.00	$490.00	10/29/2004

Agent's Initials	Parcel #	Apt #	Tenant's Name	Apt Type	Rent Schedule	Actual Rent Amt	Move-In Date
EP	**109.C-102**	102	Patricia Perez	B	$575.00	$575.00	08/27/2004
EP	**109.C-103**	103	Andrea Alcala	B	$550.00	$550.00	04/16/1999
EP	**109.C-104**	104	Dan Rodriguez	B	$600.00	$580.00	06/05/1994
EP	**109.C-201**	201	John Bermudez	B	$625.00	$625.00	10/04/2003
EP	**109.C-202**	202		B			
EP	**109.C-203**	203	Cecilia Rodriguez	B	$575.00	$575.00	04/23/2004
EP	**109.C-204**	204	Asenette and Jacinto Castillo	B	$575.00	$575.00	03/19/2004

Building D

EP	**109.D-101**	101		B-2			
EP	**109.D-102**	102	Monique and Jorge Herrera	B-2	$625.00	$625.00	
EP	**109.D-103**	103	Leticia Villareal	B-2	$625.00	$625.00	10/21/2004
EP	**109.D-104**	104	Joann and Rudy Aleman	B-2	$625.00	$599.00	03/01/2003
EP	**109.D-105**	105	Janette Lopez and Arnulfo Martinez	B-2	$625.00	$599.00	06/14/2002
EP	**109.D-106**	106	Grace Edwards	B-2	$625.00	$599.00	08/16/2002
EP	**109.D-107**	107	Cathy and Frances Ashenfelter	B-2	$625.00	$599.00	03/01/2003
EP	**109.D-108**	108	Victoria Samudio	B-2	$625.00	$625.00	04/30/2004
EP	**109.D-201**	201	Kimberly Reyes and Crystal Sutton	B-2	$625.00	$625.00	03/10/2004
EP	**109.D-202**	202		B-2	$625.00		
EP	**109.D-203**	203		B-2	$625.00		
EP	**109.D-204**	204	Alice Bradshaw	B-2	$625.00	$619.00	09/26/2003
EP	**109.D-205**	205	Elizabeth and Le'Don Lewis	B-2	$625.00	$625.00	11/28/2003
EP	**109.D-206**	206		B-2	$590.00		
EP	**109.D-207**	207	Milton Ellison	B-2	$580.00	$560.00	04/20/1991
EP	**109.D-208**	208	Robert Prier	B-2	$590.00	$590.00	08/16/1996

Building E

EP	**109.E-101**	101	Jose Aragon	B-2	$625.00	$625.00	11/19/2004
EP	**109.E-102**	102		B-2	$675.00		
SD	**109.E-103**	103	Liliana and Arturo Glavan	B-2	$625.00	$525.00	01/26/2001
SD	**109.E-104**	104	Juan Pena and Jose Pen	B-2	$625.00	$625.00	09/17/2004

Agent's Initials	Parcel #	Apt #	Tenant's Name	Apt Type	Rent Schedule	Actual Rent Amt	Move-In Date
SD	**109.E-105**	105	Crystal Henderson-Nash	B-2	$670.00	$650.00	04/16/2004
SD	**109.E-106**	106		B-2	$625.00		
EP	**109.E-107**	107	Karen Martin	B-2	$590.00	$570.00	08/13/1989
EP	**109.E-108**	108	Alejandro Trevino	B-2	$625.00	$625.00	11/24/2004
EP	**109.E-201**	201	Syreeta Williams	B-2	$625.00	$625.00	09/10/2004
EP	**109.E-202**	202	Frances Contreras	B-2	$675.00	$675.00	07/02/2004
SD	**109.E-203**	203	John Harris and Wesley Stell	B-2	$580.00	$570.00	10/15/1999
SD	**109.E-204**	204	Ollie Brown	B-2	$655.00	$655.00	10/12/2001
SD	**109.E-205**	205		B-2	$625.00		
SD	**109.E-206**	206	Lino and Pedro Arvizu	B-2	$625.00	$625.00	04/02/2004
EP	**109.E-207**	207		B-2	$625.00		
EP	**109.E-208**	208	Carolyn Jean Alvarez	B-2	$625.00	$625.00	11/01/2003

Building F

EP	**109.F-101**	101	Amy and Scott Donio	B-3	$670.00	$645.00	07/06/2000
EP	**109.F-102**	102	Treena and Nathan Gilfeather	B-3	$695.00	$695.00	08/29/2003
EP	**109.F-103**	103	Anthony Rohrpasser	B-3	$645.00	$591.00	11/01/2003
EP	**109.F-104**	104	Arielle Cavness and Lisa Castille	B-3	$645.00	$617.00	05/10/2002
EP	**109.F-105**	105		B-3	$645.00		
EP	**109.F-106**	106		B-3	$695.00		
EP	**109.F-107**	107	Tina Maria Walker	B-3	$645.00	$675.00	12/03/2004
EP	**109.F-108**	108	Jane and Joe Garcia	B-3	$645.00	$645.00	11/21/2003
EP	**109.F-201**	201		B-3	$645.00		
EP	**109.F-202**	202	Janet Lopez	B-3	$645.00	$645.00	12/21/2003
EP	**109.F-203**	203		B-3	$645.00		
EP	**109.F-204**	204	Mario and Viola Castillo	B-3	$645.00	$645.00	08/06/2004
EP	**109.F-205**	205		B-3	$645.00		
EP	**109.F-206**	206		B-3	$645.00		
EP	**109.F-207**	207	Loana Suazo and Raul Ramirez	B-3	$645.00	$625.00	01/16/2004
EP	**109.F-208**	208	Rose Francis	B-3	$620.00	$600.00	04/30/1993

Agent's Initials	Parcel #	Apt #	Tenant's Name	Apt Type	Rent Schedule	Actual Rent Amt	Move-In Date
	Building G						
SD	**109.G-101**	101	Georgia Ealy and Keren Guthrie	B-3	$645.00	$645.00	05/28/2004
SD	**109.G-102**	102	Katina Smith	B-3	$645.00	$645.00	04/02/2004
SD	**109.G-103**	103	Walter Trant	B-3	$645.00	$580.00	07/12/2002
SD	**109.G-104**	104	Verdell Wilson	B-3	$715.00	$695.00	06/21/2002
SD	**109.G-105**	105		B-3	$620.00		
SD	**109.G-106**	106		B-3	$695.00		
SD	**109.G-107**	107	Suzanne Gonzales	B-3	$620.00	$620.00	08/07/1998
SD	**109.G-108**	108	Jennifer and Joe Mata	B-3	$645.00	$645.00	12/12/2003
SD	**109.G-201**	201		B-3	$645.00		
SD	**109.G-202**	202		B-3	$600.00		
SD	**109.G-203**	203	Carolyn and Terry Williams	B-3	$645.00	$617.00	06/15/2001
SD	**109.G-204**	204	Melvin Freeman	B-3	$645.00	$625.00	02/27/2004
SD	**109.G-205**	205	Matilde Torres and George Ovalle	B-3	$695.00	$695.00	08/08/2003
SD	**109.G-206**	206		B-3	$645.00		
SD	**109.G-207**	207		B-3	$645.00		
SD	**109.G-208**	208	Javier Salas	B-3	$630.00	$645.00	12/11/2004
	Building H						
SD	**109.H-101**	101	Maria Perez	A	$445.00	$445.00	11/19/2004
SD	**109.H-102**	102		A	$445.00		
SD	**109.H-103**	103		A	$445.00		
SD	**109.H-104**	104	Uzziel Alvarez	A	$445.00	$434.00	06/21/2002
SD	**109.H-105**	105	Jazmyn Concolor	A	$454.00	$454.00	04/18/2003
SD	**109.H-106**	106	Stephanie Schuette	A	$454.00	$445.00	04/27/2000
SD	**109.H-107**	107	Kamilah C. Silas	A	$445.00	$445.00	02/27/2004
SD	**109.H-108**	108		A	$445.00		
SD	**109.H-201**	201	Cassaundra Supinsky	A	$445.00	$445.00	02/05/2004
SD	**109.H-202**	202		A	$445.00		
SD	**109.H-203**	203		A	$445.00		

Agent's Initials	Parcel #	Apt #	Tenant's Name	Apt Type	Rent Schedule	Actual Rent Amt	Move-In Date
SD	**109.H-204**	204		A	$450.00		
SD	**109.H-205**	205		A	$445.00		
SD	**109.H-206**	206	Celia and Gregorio Alvarado	A	$445.00	$434.00	07/05/2002
SD	**109.H-207**	207	Jose and Yvonne Garcia	A	$445.00	$445.00	11/21/2004
SD	**109.H-208**	208	Talisha Brown	A	$495.00	$445.00	11/08/2004
	Building I						
SD	**109.I-101**	101	Spencer Walker	A	$445.00	$445.00	11/13/2003
SD	**109.I-102**	102	Jesse Vega	A	$445.00	$445.00	02/27/2004
SD	**109.I-103**	103	Shedrick Stallworth and Melvina Wydermyer	A	$445.00	$495.00	07/30/2004
SD	**109.I-104**	104	Julio Cesar Robledo	A	$445.00	$445.00	08/01/2004
SD	**109.I-105**	105	Maxine Alcala	A	$435.00	$435.00	02/06/1998
SD	**109.I-106**	106	Michael R. Jackson	A	$445.00	$445.00	11/28/2003
SD	**109.I-107**	107		A	$445.00		
SD	**109.I-108**	108	Rosario Castro	A	$445.00	$445.00	12/29/2003
SD	**109.I-201**	201	Janet Streig	A	$445.00	$404.00	10/24/2003
SD	**109.I-202**	202	Francisco Batista	A	$445.00	$445.00	02/26/2004
SD	**109.I-203**	203	Elias Kidane	A	$445.00	$425.00	02/20/2004
SD	**109.I-204**	204	Kimberly Woods and Nakia Berry	A	$445.00	$445.00	07/30/2004
SD	**109.I-205**	205	Xaiver Sandoval	A	$465.00	$465.00	08/14/1998
SD	**109.I-206**	206	Johnathan Storm	A	$454.00	$434.00	05/09/2003
SD	**109.I-207**	207	Wendy Sonnenburg	A	$445.00	$445.00	05/07/2004
SD	**109.I-208**	208	Rodrigo Lamas	E	$454.00	$454.00	02/21/2003
	Building J						
EP	**109.J-101**	101	Gloria Banuelos	E	$420.00	$399.00	08/30/2004
EP	**109.J-102**	102		E	$400.00		
EP	**109.J-103**	103	Michael Riojas	E	$400.00	$399.00	11/12/2004
EP	**109.J-104**	104		E	$399.00		
EP	**109.J-105**	105	Christina Garcia and Vanessa Martinez	E	$400.00	$399.00	08/13/2004
EP	**109.J-106**	106		E	$400.00		

Agent's Initials	Parcel #	Apt #	Tenant's Name	Apt Type	Rent Schedule	Actual Rent Amt	Move-In Date
EP	**109.J-107**	107	Manuel Garcia	E	$400.00	$400.00	05/07/2004
EP	**109.J-108**	108	Josephine Quinonez	E	$399.00	$399.00	11/13/2004
EP	**109.J-201**	201		E	$400.00		
EP	**109.J-202**	202	James Haros, Sr.	E	$400.00	$399.00	09/10/2004
EP	**109.J-203**	203		E	$400.00		
EP	**109.J-204**	204	Bastil Cedillo	E	$430.00	$430.00	07/01/1996
EP	**109.J-205**	205		E	$400.00		
EP	**109.J-206**	206	Christopher Kyle Gray	E	$400.00	$399.00	08/27/2004
EP	**109.J-207**	207	Marcia Withrow	E	$390.00	$330.00	06/01/1995
EP	**109.J-208**	208		E	$400.00		
	Building K						
EP	**109.K-101**	101		A	$465.00		
EP	**109.K-102**	102	John Rick and Jessica Ellis	A	$445.00	$445.00	11/10/2004
EP	**109.K-103**	103	Tioumba Berry and Amanda Bell	A	$445.00	$445.00	07/30/2004
EP	**109.K-104**	104	Deborah Hendryx	A	$454.00	$435.00	12/08/2000
EP	**109.K-105**	105	MODEL	A	$495.00		
EP	**109.K-106**	106	Glenn Zoch	A	$445.00	$434.00	03/01/2003
EP	**109.K-107**	107	Devion Calhoun	A	$454.00	$435.00	02/15/2002
EP	**109.K-108**	108	Irene Vera	A	$454.00	$454.00	09/30/2003
EP	**109.K-201**	201	Penny Walters	A	$445.00	$426.00	02/24/1995
EP	**109.K-202**	202	Andrew Warthen	A	$445.00	$393.00	08/23/2002
EP	**109.K-203**	203	Tony Roberts	A	$445.00	$397.00	06/01/1994
EP	**109.K-204**	204	Mitchell Mallory	A	$445.00	$490.00	11/18/2003
EP	**109.K-205**	205		A	$445.00		
EP	**109.K-206**	206	Juanita Quintero	A	$445.00	$445.00	09/24/2004
EP	**109.K-207**	207	Elizama Mariscal	A	$445.00	$445.00	12/17/2004
EP	**109.K-208**	208	Dahlia Cruz Ruiz	A	$445.00	$445.00	07/24/2004
	Building L						
SD	**109.L-101**	101	Tommy Lane	E	$380.00	$380.00	

Agent's Initials	Parcel #	Apt #	Tenant's Name	Apt Type	Rent Schedule	Actual Rent Amt	Move-In Date
SD	**109.L-102**	102	SHOP	E	$399.00		
SD	**109.L-103**	103	Bobby Lawrence	E	$400.00	$355.00	01/31/2003
EP	**109.L-104**	104	Margarita Martinez	E	$400.00	$399.00	11/18/2003
EP	**109.L-105**	105		E	$400.00		
EP	**109.L-106**	106	Mary Elida Cubit	E	$400.00	$399.00	08/29/2004
EP	**109.L-107**	107		E	$400.00		
EP	**109.L-108**	108	Carlos Garcia	E	$400.00	$399.00	
EP	**109.L-109**	109	Patrick Michael	E	$399.00	$399.00	
SD	**109.L-110**	110	Stephen Petmecky	E	$390.00	$390.00	10/01/1994
SD	**109.L-111**	111		E	$399.00		
SD	**109.L-112**	112		E	$399.00		
SD	**109.L-201**	201	Mario Escamilla	E	$399.00	$399.00	05/27/2004
SD	**109.L-202**	202	Sylvia Rambo	E	$399.00	$399.00	05/15/2002
SD	**109.L-203**	203	Alberto Torres	E	$400.00	$380.00	12/12/2003
EP	**109.L-204**	204	Aadjour Simo	E	$399.00	$399.00	11/01/2004
EP	**109.L-205**	205	Leticia Vielma	E	$400.00	$387.00	07/08/2000
EP	**109.L-206**	206	Gretchen Coles	E	$399.00	$399.00	07/22/2004
EP	**109.L-207**	207		E	$399.00		
EP	**109.L-208**	208	Javier and Leticia Vasquez	E	$400.00	$325.00	03/31/2003
EP	**109.L-209**	209	Otis Nealy	E	$400.00	$380.00	07/16/2002
SD	**109.L-210**	210		E	$460.00		
SD	**109.L-211**	211	Troy Anthony Watts	E	$400.00	$400.00	01/23/2004
SD	**109.L-212**	212	Manuel Mendoza	E	$400.00	$380.00	11/01/1996

Building M

SD	**109.M-101**	101	Berry Williams	A-1	$490.00	$490.00	07/30/2004
SD	**109.M-102**	102	Dennis Ogidin	A-1	$490.00	$490.00	10/01/2004
SD	**109.M-103**	103	Billy Winters	A-1	$495.00	$475.00	08/11/2000
SD	**109.M-104**	104		A-1	$490.00		
SD	**109.M-105**	105	Charlene Simms	A-1	$490.00	$490.00	09/11/2004
SD	**109.M-106**	106	Julia Castro	A-1	$500.00	$500.00	07/02/1999

Sunscape
Income Statement
For the Eight Months Ending August 31, 2004

	Current Month	Year to Date
INCOME:		
Potential Income	113,381.00	907,467.00
Vacancy Loss	<19,873.00>	<125,412.00>
Allowances/Concessions	<4,565.00>	<36,541.00>
Staff/Model	<2,795.00>	<22,538.00>
Employee Rent Income	0.00	1,609.00
Water reimbursement	191.86	1,258.06
Miscellaneous Income	1,062.69	33,394.90
Total Income	87,402.55	759,237.96
EXPENSES:		
Utilities		
Electricity	3,225.64	20,583.01
Gas	4,768.81	38,816.92
Water	9,467.01	62,837.20
Trash Removal	1,298.20	6,151.14
Total Utilities	18,759.66	128,388.27
Routine Maintenance		
Plumbing	643.03	4,980.62
Electrical	118.27	1,744.83
Heating & A/C	362.00	3,140.24
Appliance Mtce	70.01	1,074.01
Keys & Locks	27.95	475.56
Grounds Replacements	1,693.24	12,217.22
Pest Control	289.84	2,359.06
Pool Maintenance	242.72	1,331.19
Carpet/Floors Repair	0.00	801.82
Carpet Repl/Clean	200.27	3,589.81
Drapery/Blinds Repair	0.00	1,477.23
General Cleaning	60.65	891.57
Interior Painting	224.30	7,576.62
Interior Repair	85.77	2,527.73
Exterior Repair	0.00	3,950.53
Glass & Mirror	0.00	9.06
Miscellaneous Mtce	9.95	140.96
Total Routine Maintenance	4,028.00	48,288.06
Advertising		
Newspaper Ads	0.00	65.96
Directory Advertising	740.00	5,874.95
Signs & Billboards	0.00	160.06
Promotions	0.00	222.85
Apartment Locators	0.00	2,405.00

Sunscape
Income Statement
For the Eight Months Ending August 31, 2004

Total Advertising	740.00	8,728.82
Office Operations		
Telephone	413.15	3,168.22
Answering Service	209.14	1,699.11
Pagers/Communications	37.98	853.62
Postage	0.00	169.12
Dues & Subscriptions	101.00	788.25
Office Supplies	29.06	1,819.17
Security Service	0.00	12.99
Credit Checks	215.42	2,143.44
Bank Charges	122.94	772.72
Office Equipment	0.00	975.29
Promotion/Gifts	600.00	600.00
Total Office Operations	1,728.69	13,001.93
Payroll:		
Manager Salary	2,946.66	27,034.20
Assistant Manager Salary	2,665.25	22,735.50
Maintenance Salaries	5,197.10	33,378.09
Housekeeper Salary	180.00	180.00
Payroll Taxes	723.92	5,957.14
Workmans Comp	0.00	2,898.15
Medical Insurance	619.14	7,186.51
Total Payroll	12,332.07	99,369.59
Property Expense		
Management Fee	4,075.00	32,600.00
Property Taxes	7,453.63	72,961.68
Insurance	4,587.03	35,367.12
Total Property Expenses	16,115.66	140,928.80
Total Operating Expenses	53,704.08	438,705.47
Net Operating Income (Loss)	28,550.47	320,532.49

APARTMENT COMPARABLE NO. 4

IDENTIFICATION

PROJECT	:	Villas of La Costa Apartments
ADDRESS	:	1016 Camino La Costa
LEGAL	:	Lot 1, Block B, La Costa, Phase 2, Section 1
TAX ID. NO.	:	02-2814-0401-0000

RECORDING DATA

GRANTOR	:	TVO La Costa Partners, LP
GRANTEE	:	Babay Family I, LLC
TRANS. #	:	2004097472
TYPE	:	Special Warranty Deed
DATE	:	5/14/2004

PROPERTY DATA

BUILT	:	1978
# UNITS	:	204
SIZE (NRA)	:	159,160
STORIES	:	26 Two-story buildings
BUILDING	:	26 buildings, wood frame with pitched, composition roofs on a concrete slab
QUALITY	:	Average
CONDITION	:	Average
SIZE (AC)	:	7.61 Acres

UNITS OF COMPARISON

PRICE	:	$7,500,000
TERMS	:	Cash to seller.
PRICE/SF	:	$47.12
PRICE/UNIT	:	$36,765

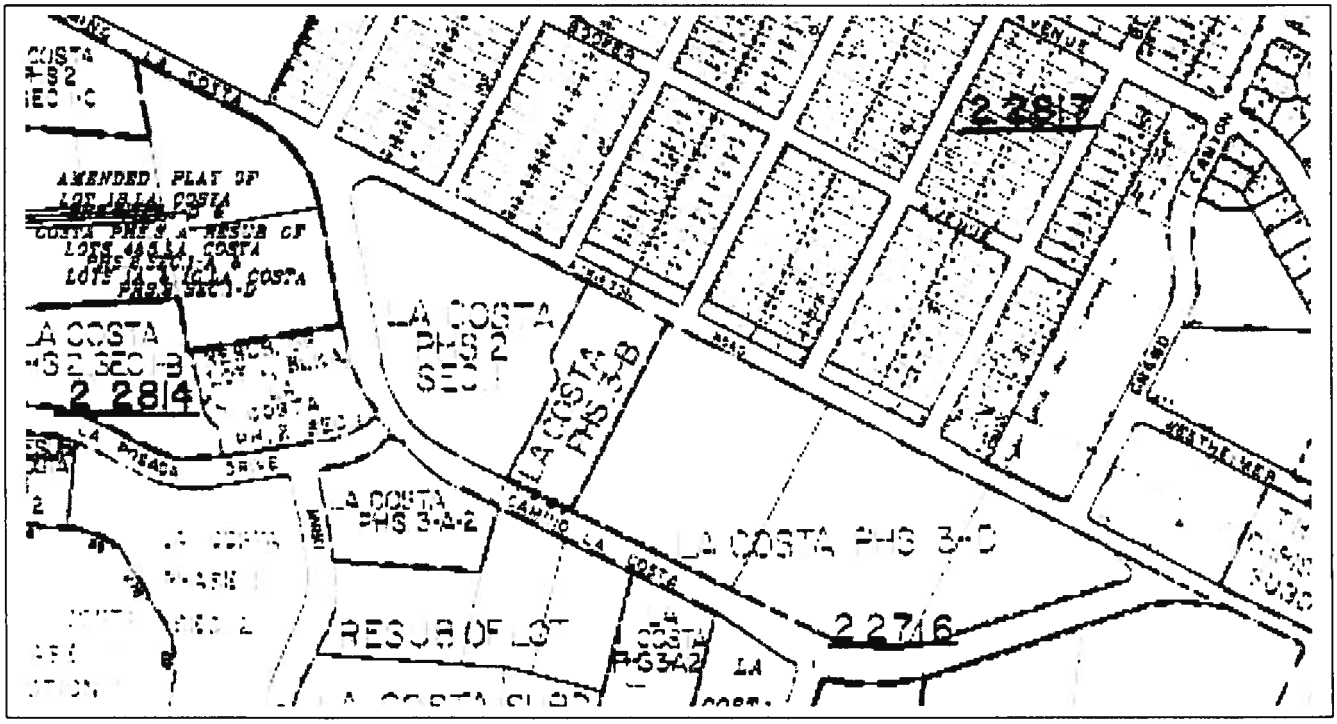
INCOME DATA

			At Date of Sale		January 2005	
# UNITS	TYPE	SIZE (SF)	RENT	RENT/SF	RENT	RENT/SF
40	1-1	569	$425	$0.75	$630	$1.11
28	1-1 Loft	650	$475	$0.73	$670	$1.03
40	1-1	705	$495	$0.70	$690	$0.98
24	1-1 Den	795	$575	$0.72	$740	$0.93
72	2-2	985	$675	$0.68	$900	$0.91
204	Weighted averages	780	$551	$0.71	$755	$0.98

Occupancy	~91%	January 2005 Occupancy ~92%
EGIM	5.6	
Overall Rate	7.7%	
Expenses/SF	$4.10	
OER	53.1%	

VERIFICATION

REFERENCE	:	Rudy Belton with, Grantee (454-6200)
DEED READ	:	JLC (in work file)



APARTMENT RENT COMPARABLE NO. 1

PROPERTY Worthing Ridge (formerly The Strafford)	**SURVEY DATE** January 2005 — **BY** JLC
LOCATION 1817 Oltorf	**TCAD #** 03-0705-0404
OWNER/DEVELOPER Worthing Stratford LP	**SOURCE** Property Manager - First Worthing Company

PROPERTY DATA

DESIGN/CONSTRUCTION
2-story, wood frame, pitched composition roof

AMENITIES					
		___	Tennis Courts	___	Child Care
x	Pool - 2	___	Sport Courts	___	Security
x	Clubhouse	x	Laundry	x	Parking
___	Spa	x	Playground	___	Elevator
x	Health Club		Greenbelt		Drapes

UNIT AMENITIES					
		___	Compactor		
x	R/O	___	W/D	x	Clg Fans
x	Microwave	___	Wet Bar	x	Patio/Balcony
x	Disposal	___	Fireplace	___	Skylight
x	Dishwasher	x	WIC	___	Sprinklered
x	Refrigerator	x	Blinds	x	Cable TV

DATE BUILT 1973	**CONDITION** Average for age
LAND AREA 10.36 acres	**DENSITY** 2.5 per acre

ECONOMIC DATA

# UNITS	TYPE	SIZE (SF)	RENT	RENT/ SF
25	Eff	518	$560	$1.08
62	1-1	630	$599	$0.95
24	1-1 study	728	$765	$1.05
40	2-1	925	$925	$1.00
56	2-2	1,020	$765	$0.75
16	3-2	1,263	$1049	$0.83

OCCUPANCY ~90%	**TENANT PROFILE** Students, professionals

TOTAL UNITS	AVERAGE UNIT SIZE	AVG RENT
223	824 SF	$745

UTILITIES PAID BY TENANT
Electricity, Water & Trash

RENT CONCESSIONS
Reduced Rates - 1.5 months free on 1 year lease

APARTMENT RENT COMPARABLE NO. 2

PROPERTY Worthing Hills	**SURVEY DATE** January 2005 — **BY** JLC
LOCATION 1911 Willow Creek	**TCAD #** 03-0607-0104
OWNER/DEVELOPER Worthing Stratford	**SOURCE** Property Manager

PROPERTY DATA

DESIGN/CONSTRUCTION
2-story, wood frame, wood and stone veneer, pitched composition roof; gated entrance

AMENITIES		___	Tennis Courts	___	Child Care
x	Pool	x	Sport Courts	___	Security
x	Clubhouse	x	Laundry	x	Parking
___	Spa	x	Playground	___	Elevator
___	Health Club	___	Greenbelt	x	Drapes
UNIT AMENITIES		___	Compactor		
x	R/O	___	W/D	x	Clg Fans
x	Microwave	___	Wet Bar	x	Patio/Balcony
x	Disposal	___	Fireplace	___	Skylight
x	Dishwasher	x	WIC	___	Sprinklered
x	Refrigerator	x	Blinds	x	Cable TV

DATE BUILT 1969	**CONDITION** Average for age
LAND AREA 10.122 acres	**DENSITY** 25.3 per acre

ECONOMIC DATA

# UNITS	TYPE	SIZE (SF)	RENT	RENT/SF
48	1-1	660	$575	$0.87
40	1-1	705	$600	$0.85
30	1-1	710	$600	$0.85
48	2-1	860	$710	$0.83
50	2-2	1,000	$840	$0.84
40	2-2	1,016	$840	$0.83

OCCUPANCY ~87%	**TENANT PROFILE** Students, professionals

TOTAL UNITS	AVERAGE UNIT SIZE	AVG RENT
256	832 SF	$700

UTILITIES PAID BY TENANT
Electricity & Water

RENT CONCESSIONS
Reduced Rates - $200 off 1st Month's Rent

APARTMENT RENT COMPARABLE NO. 3

PROPERTY University Heights	**SURVEY DATE** January 2005 — **BY** JLC
LOCATION 2101 Burton Drive	**TCAD #** 03-0705-0504
OWNER/DEVELOPER DNA Realty Management Services, Inc.	**SOURCE** Property Manager

PROPERTY DATA

DESIGN/CONSTRUCTION
2-story, wood frame, wood and stone veneer, pitched composition roof; gated entrance; in addition to the 356 units listed in the units, there are 6 individual house-units

AMENITIES					
		x	Tennis Courts		Child Care
x	Pool	x	Sport Courts		Security
x	Clubhouse	x	Laundry	x	Parking
	Spa	x	Playground		Elevator
x	Health Club		Greenbelt	x	Drapes

UNIT AMENITIES					
			Compactor	x	Computer Lab
x	R/O		W/D	x	Clg Fans
x	Microwave		Wet Bar	x	Patio/Balcony
x	Disposal		Fireplace		Skylight
x	Dishwasher	x	WIC		Sprinklered
x	Refrigerator	x	Blinds	x	Cable TV

DATE BUILT 1971	**CONDITION** Average for age
LAND AREA 7.89acres	**DENSITY** 45.88 per acre

ECONOMIC DATA

# UNITS	TYPE	SIZE (SF)	RENT	RENT/SF
112	1-1	700	$505	$0.72
48	1-1	747	$510	$0.68
36	1-1	760	$560	$0.74
78	2-1	932	$700	$0.75
26	2-1.5	1,184	$720	$0.61
40	2-2	1,316	$760	$0.58
12	3-2	1,387	$1,100	$0.79
3	4-2	1,864	$1,250	$0.67
5	5-2	1,864	$1,250	$0.67

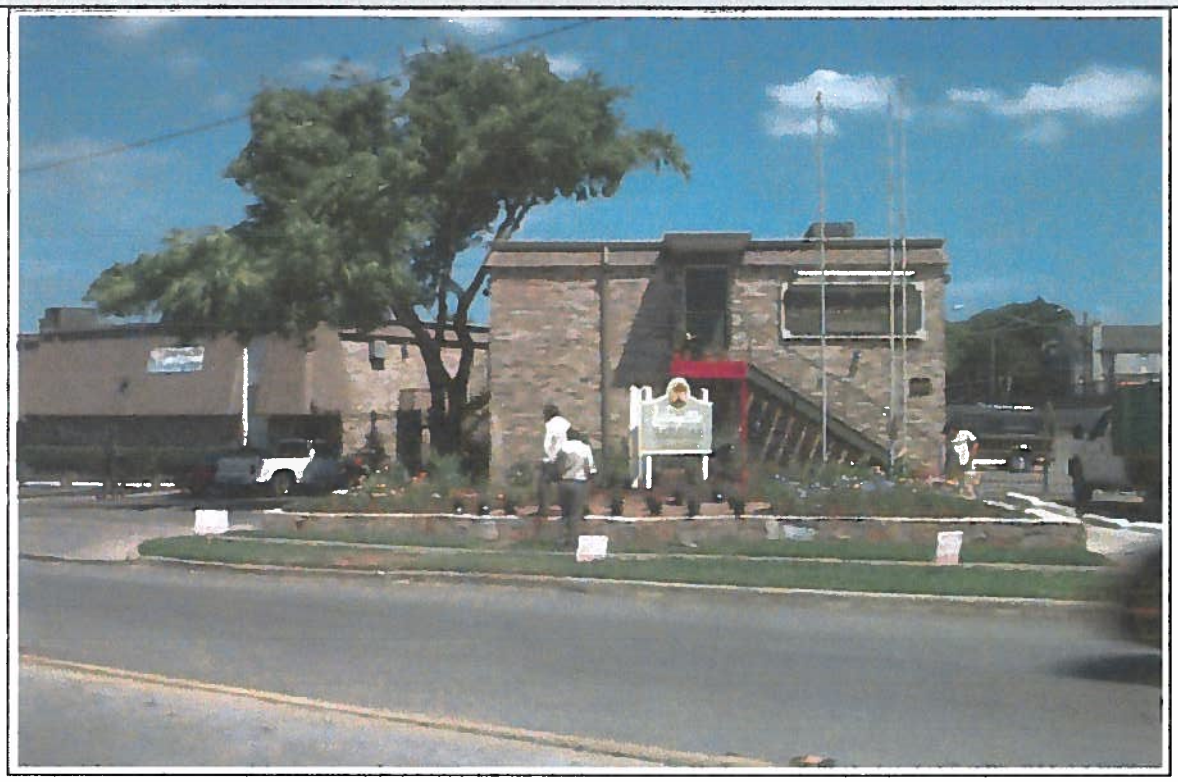
OCCUPANCY	TENANT PROFILE
~92%	Students, professionals

TOTAL UNITS	AVERAGE UNIT SIZE	AVG RENT
360	910 SF	$634

UTILITIES PAID BY TENANT
Electricity & Water

RENT CONCESSIONS
Reduced Rates -- Not advertised

APARTMENT RENT COMPARABLE NO. 4



PROPERTY Lafayette Landing	**SURVEY DATE** January 2005 — **BY** JLC
LOCATION 1845 Burton Drive	**TCAD #** 03-0506-0805
OWNER/DEVELOPER Arbor Properties	**SOURCE** Property Manager

PROPERTY DATA

DESIGN/CONSTRUCTION
2-and 3-story, wood frame, wood and stone veneer, flat roofs; 13 buildings

AMENITIES	___ Tennis Courts	___ Child Care
x Pool	___ Sport Courts	___ Security
x Clubhouse	x Laundry	x Parking
___ Spa	x Playground	___ Elevator
x Health Club	Greenbelt	x Drapes
UNIT AMENITIES	___ Compactor	
x R/O	___ W/D	x Clg Fans
x Microwave	___ Wet Bar	x Patio/Balcony
x Disposal	___ Fireplace	___ Skylight
x Dishwasher	x WIC	___ Sprinklered
x Refrigerator	x Blinds	x Cable TV

DATE BUILT 1972	**CONDITION** Average for age
LAND AREA 4.3143 acres	**DENSITY** 37.78 per acre

ECONOMIC DATA

# UNITS	TYPE	SIZE (SF)	RENT	RENT/SF
21	Eff	500	$469	$0.94
31	Eff	524	$509	$0.97
38	1-1	625	$519	$0.83
33	1-1	675	$559	$0.83
20	1-1	700	$619	$0.88
20	2-2	1,000	$749	$0.75

OCCUPANCY	TENANT PROFILE
~88%	Students, professionals

TOTAL UNITS	AVERAGE UNIT SIZE	AVG RENT
163	655 SF	$559

UTILITIES PAID BY TENANT
Electricity & Water

RENT CONCESSIONS
Reduced Rates – ½ month free on six month lease; 1 month free on 1 year lease

APARTMENT RENT COMPARABLE NO. 5

PROPERTY Whisper Hollow	**SURVEY DATE** January 2005 / **BY** JLC
LOCATION 3300 Parker lane	**TCAD #** 03-1001-0107
OWNER/DEVELOPER Gindi Enterprises	**SOURCE** Property Manager

PROPERTY DATA

DESIGN/CONSTRUCTION
2-story, wood frame, wood and stone veneer, pitched composition roof; gated entrance

AMENITIES	___ Tennis Courts	___ Child Care
x Pool	x Sport Courts	___ Security
x Clubhouse	x Laundry	x Parking
___ Spa	___ Playground	___ Elevator
___ Health Club	___ Greenbelt	___ Drapes
UNIT AMENITIES	___ Compactor	
x R/O	___ W/D	x Clg Fans
x Microwave	___ Wet Bar	x Patio/Balcony
x Disposal	x Fireplace	___ Skylight
x Dishwasher	x WIC	___ Sprinklered
x Refrigerator	x Blinds	x Cable TV

DATE BUILT 1972	**CONDITION** Average for age
LAND AREA 8.59 acres	**DENSITY** 25.61 per acre

ECONOMIC DATA

# UNITS	TYPE	SIZE (SF)	RENT	RENT/SF
40	1-1	474	$505	$1.07
40	1-1	564	$560	$0.99
60	1-1	648	$585	$0.90
24	2-1	728	$625	$0.86
16	2-1	832	$675	$0.81
32	2-2	948	$775	$0.82
8	2-2	1,080	$895	$0.83

OCCUPANCY ~86%	**TENANT PROFILE** Students, professionals

TOTAL UNITS	AVERAGE UNIT SIZE	AVG RENT
220	683 SF	$616

UTILITIES PAID BY TENANT
Electricity 7 Water

RENT CONCESSIONS
Reduced Rates - $129 Move & No Deposit on13 month lease

APARTMENT RENT COMPARABLE NO. 6

PROPERTY Tollgate Creek (aka The Arrangement Apartments)	**SURVEY DATE** January 2005 — **BY** JLC
LOCATION 2124 Burton Drive	**TCAD #** 03-0705-0312
OWNER/DEVELOPER InterGroup Corporation	**SOURCE** Property Manager

PROPERTY DATA

DESIGN/CONSTRUCTION
2-story, wood frame, wood and stone veneer, pitched composition roof; gated entrance; 13 buildings

AMENITIES	___ Tennis Courts	___ Child Care
x Pool	___ Sport Courts	___ Security
___ Clubhouse	x Laundry	x Parking
___ Spa	___ Playground	___ Elevator
___ Health Club	___ Greenbelt	x Drapes
UNIT AMENITIES	___ Compactor	
x R/O	___ W/D	x Clg Fans
x Microwave	___ Wet Bar	x Patio/Balcony
x Disposal	___ Fireplace	___ Skylight
x Dishwasher	x WIC	___ Sprinklered
x Refrigerator	x Blinds	x Cable TV

DATE BUILT 1973	**CONDITION** Average for age
LAND AREA 3.748 acres	**DENSITY** 29.88 per acre

ECONOMIC DATA

# UNITS	TYPE	SIZE (SF)	RENT	RENT/SF
12	Eff	435	$539	$1.24
4	1-1	654	$599	$0.92
24	1-1	694	$599	$0.86
12	1-1	726	$659	$0.91
36	2-1.5	902	$799	$0.89
24	2-2	918	$799	$0.87

OCCUPANCY ~98%	**TENANT PROFILE** Students, professionals

TOTAL UNITS	AVERAGE UNIT SIZE	AVG RENT
112	783 SF	$706

UTILITIES PAID BY TENANT
Electricity & Water

RENT CONCESSIONS
Reduced Rates – 1 month free on 1 year lease

APARTMENT RENT COMPARABLE NO. 7

PROPERTY Longhorn Station	**SURVEY DATE** January 2005 — **BY** JLC
LOCATION 2005 Willow Creek	**TCAD #** 03-0806-0301
OWNER/DEVELOPER BNC Real Estate	**SOURCE** Property Manager

PROPERTY DATA

DESIGN/CONSTRUCTION
2-story, wood frame, stucco, pitched composition roof; gated entrance; 13 buildings

AMENITIES		Tennis Courts		Child Care
x	Pool		Sport Courts		Security
x	Clubhouse	x	Laundry		Parking
	Spa		Playground		Elevator
	Health Club		Greenbelt	x	Drapes

UNIT AMENITIES			Compactor		
x	R/O		W/D	x	Clg Fans
x	Microwave		Wet Bar	x	Patio/Balcony
x	Disposal		Fireplace		Skylight
x	Dishwasher	x	W/C		Sprinklered
x	Refrigerator	x	Blinds	x	Cable TV

DATE BUILT 1974	**CONDITION** Average for age
LAND AREA 9.94 acres	**DENSITY** 30.18 per acre

ECONOMIC DATA

# UNITS	TYPE	SIZE (SF)	RENT	RENT/SF
10	Eff	400	$485	$1.21
84	1-1	700	$510	$0.73
34	2-1	800-832	$610-615	$0.76-$0.74
171	2-2	912-948	$685-720	$0.75-$0.76
1	2-2 (penthouse)	1,600	$1,400	$0.94

OCCUPANCY ~68%	**TENANT PROFILE** Students, professionals

TOTAL UNITS	AVERAGE UNIT SIZE	AVG RENT
300	835 SF	$631

UTILITIES PAID BY TENANT
Electricity, Water & Trash

RENT CONCESSIONS
Reduced Rates – 2 wks free on 1 year lease