



Market Overview

2Q2009

Turlock is 1 of 2 cities in Stanislaus County (with at least 5 communities)

Rent ranking
for cities in Stanislaus County

| City | Avg Rent |
|------------|----------|
| 1. Modesto | \$817 |
| 2. Turlock | \$813 |

Occupancy ranking
for cities in Stanislaus County

| City | Avg Occ. |
|------------|----------|
| 1. Turlock | 90.8% |
| 2. Modesto | 89.7% |

Rent growth % Rankings Yr. over Yr.
for cities in Stanislaus County

| City | Avg Rent |
|------------|----------|
| 1. Modesto | 0.9% |
| 2. Turlock | -1.8% |

Occupancy growth Rankings Yr. over Yr.
for cities in Stanislaus County

| City | Avg Occ. |
|------------|----------|
| 1. Turlock | -2.9% |
| 2. Modesto | -4.4% |

7/13/2009

Data source: RealFacts (415)884.2480. Data is deemed reliable but accuracy cannot be guaranteed.



Market Overview

2Q2009

Stanislaus County is 1 of 1 counties in Modesto CA MSA

Rent ranking
for counties in Modesto CA MSA

| County | Avg Rent |
|---------------|----------|
| 1. Stanislaus | \$814 |

Occupancy ranking
for counties in Modesto CA MSA

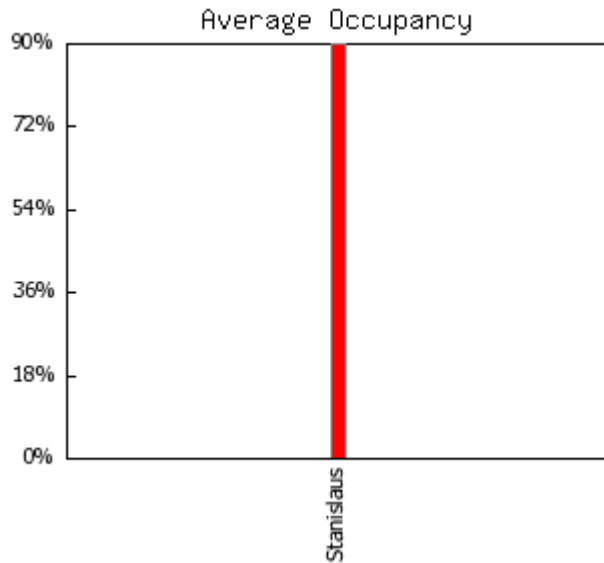
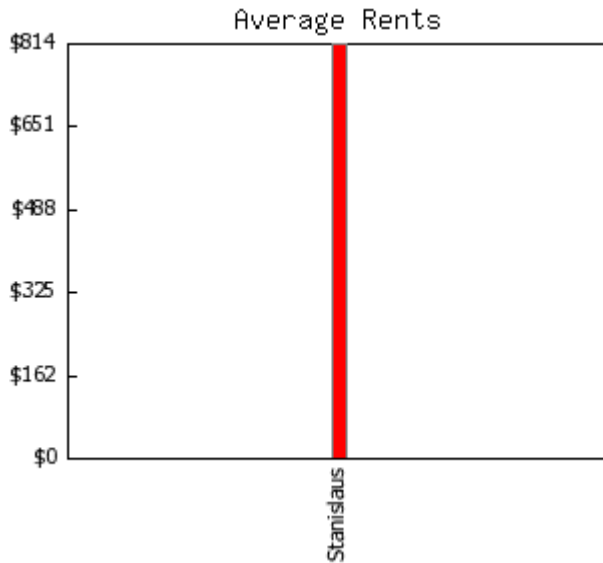
| County | Avg Occ. |
|---------------|----------|
| 1. Stanislaus | 90.1% |

Rent growth % Rankings Yr. over Yr.
for counties in Modesto CA MSA

| County | Avg Rent |
|---------------|----------|
| 1. Stanislaus | 0.0% |

Occupancy growth Rankings Yr. over Yr.
for counties in Modesto CA MSA

| County | Avg Occ. |
|---------------|----------|
| 1. Stanislaus | -3.8% |



7/13/2009

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Market Overview

Inventory Analysis

Turlock
2Q2009

| | | | |
|------------------|------------|----------------------------|-------------|
| Properties/Units | 11 / 1,985 | Average units per property | 180 |
| Class A | 2 / 187 | Average year built | 1984 |
| Class B | 1 / 408 | Size range (units) | 50 - 408 |
| Class C | 8 / 1,390 | Age range | 1972 - 2008 |

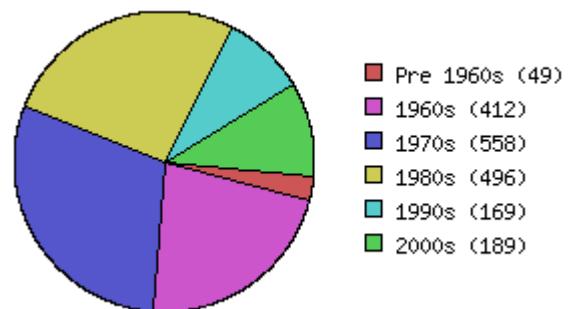
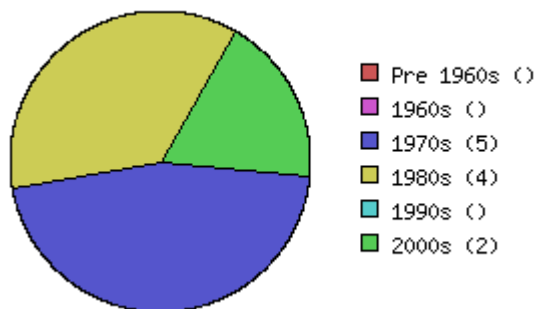
Unit Mix (all unit types appear in this report)

| Totals | Units | % of Mix | Benchmark % of Mix | Average Sq. Ft | Benchmark Avg Sq Ft | Average Rent | Benchmark Avg. Rent | Avg. Rent Sq. Ft. | Benchmark Avg. Rent Sq. Ft. |
|------------|-------|----------|--------------------|----------------|---------------------|--------------|---------------------|-------------------|-----------------------------|
| All | 1,985 | 100.0% | 100.0% | 824 | 842 | \$813 | \$1,310 | \$0.99 | \$1.56 |
| Urban Loft | | | | | | | | | |
| studio | 207 | 10.4% | 5.1% | 432 | 473 | \$642 | \$1,102 | \$1.49 | \$2.33 |
| jr 1bd | | | | | | | | | |
| 1bd 1bth | 455 | 22.9% | 38.6% | 654 | 700 | \$719 | \$1,169 | \$1.10 | \$1.67 |
| 1bd 1.5bth | | | | | | | | | |
| 1bd TH | | | | | | | | | |
| 2bd 1bth | 460 | 23.2% | 17.8% | 849 | 863 | \$791 | \$1,163 | \$0.93 | \$1.35 |
| 2bd 1.5bth | 228 | 11.5% | 1.6% | 960 | 931 | \$876 | \$1,252 | \$0.91 | \$1.34 |
| 2bd 2bth | 440 | 22.2% | 25.7% | 968 | 1,009 | \$849 | \$1,510 | \$0.88 | \$1.50 |
| 2bd 2.5th | | | | | | | | | |
| 2bd TH | 79 | 4.0% | 3.4% | 997 | 1,074 | \$1,022 | \$1,618 | \$1.03 | \$1.51 |
| 3bd 1bth | | | | | | | | | |
| 3bd 1.5bth | 42 | 2.1% | 0.3% | 1,000 | 1,091 | \$1,010 | \$1,816 | \$1.01 | \$1.66 |
| 3bd 2bth | 32 | 1.6% | 3.6% | 1,125 | 1,233 | \$1,091 | \$1,722 | \$0.97 | \$1.40 |
| 3bd 3bth | | | | | | | | | |
| 3bd TH | 42 | 2.1% | 0.8% | 1,366 | 1,311 | \$1,385 | \$2,046 | \$1.01 | \$1.56 |
| 4bd | | | | | | | | | |
| 5bd 2bth | | | | | | | | | |
| 5bd TH | | | | | | | | | |

Age of Existing Inventory

Area: Turlock

Benchmark: Nor Cal Region





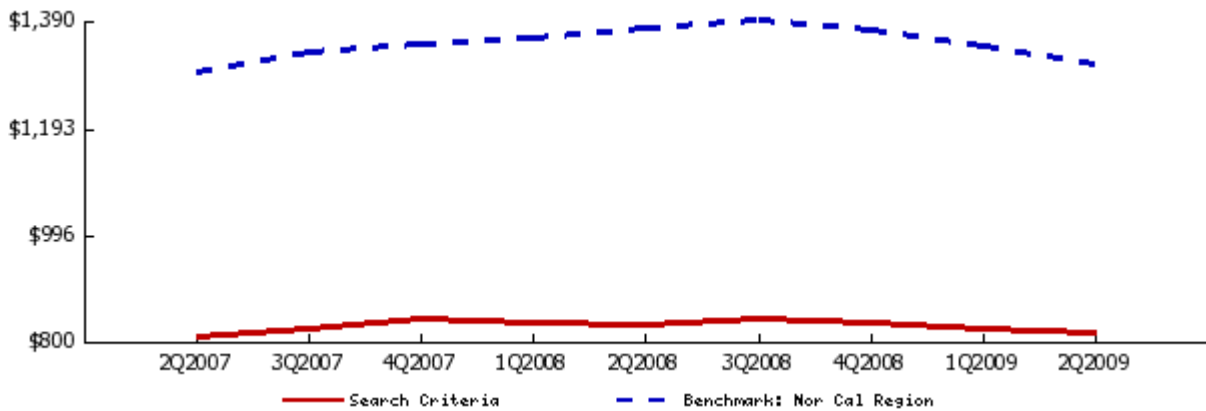
Market Overview

Rental Trends for City Turlock

All Classes
Quarterly Trend

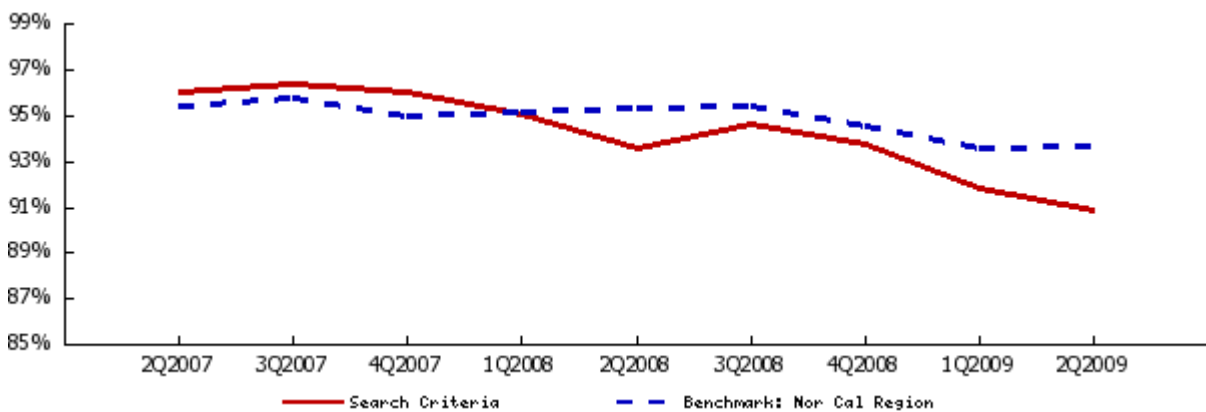
Average Asking Rent

| | 2Q2007 | 3Q2007 | 4Q2007 | 1Q2008 | 2Q2008 | 3Q2008 | 4Q2008 | 1Q2009 | 2Q2009 | 1 Yr. Change |
|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|
| AVERAGE | \$806 | \$821 | \$840 | \$832 | \$828 | \$840 | \$833 | \$821 | \$813 | -1.8% |
| studio | \$583 | \$589 | \$624 | \$626 | \$626 | \$626 | \$626 | \$633 | \$642 | 2.5% |
| jr 1bd | | | | | | | | | | |
| 1bd 1bth | \$705 | \$727 | \$736 | \$737 | \$736 | \$736 | \$736 | \$718 | \$719 | -2.2% |
| 2bd 1bth | \$806 | \$827 | \$828 | \$829 | \$824 | \$824 | \$816 | \$790 | \$791 | -4.0% |
| 2bd 2bth | \$855 | \$866 | \$909 | \$869 | \$861 | \$859 | \$859 | \$849 | \$849 | -1.3% |
| 2bd TH | \$1,016 | \$1,021 | \$1,021 | \$1,021 | \$1,021 | \$1,021 | \$1,021 | \$1,022 | \$1,022 | 0.1% |
| 3bd 2bth | \$1,080 | \$1,127 | \$1,127 | \$1,127 | \$1,127 | \$1,127 | \$1,127 | \$1,091 | \$1,091 | -3.2% |
| 3bd TH | \$1,385 | \$1,385 | \$1,385 | \$1,385 | \$1,385 | \$1,385 | \$1,385 | \$1,385 | \$1,385 | 0.0% |



Average Occupancy Rate

| | 2Q2007 | 3Q2007 | 4Q2007 | 1Q2008 | 2Q2008 | 3Q2008 | 4Q2008 | 1Q2009 | 2Q2009 | 1 Yr. Change |
|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|
| AVERAGE | 96.0% | 96.3% | 96.0% | 95.0% | 93.5% | 94.6% | 93.7% | 91.8% | 90.8% | -3.0% |





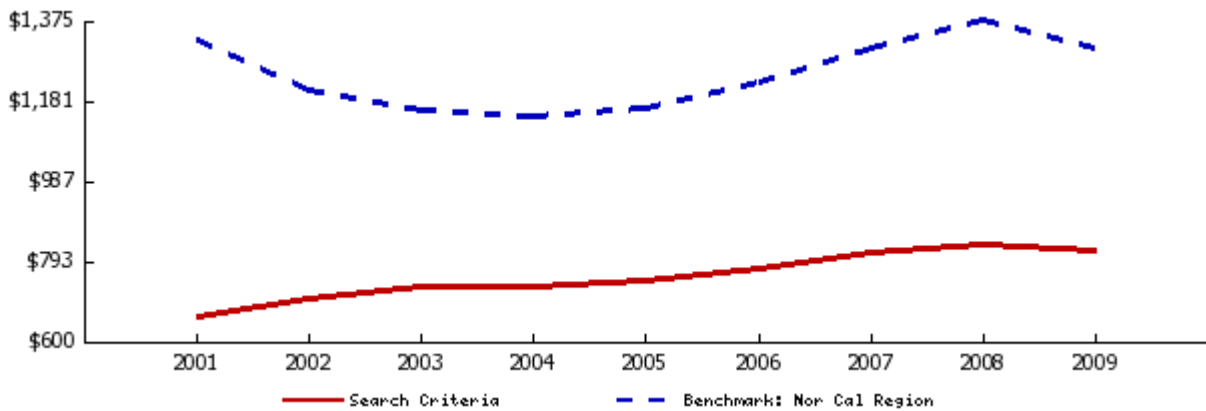
Market Overview

Rental Trends for City Turlock

All Classes
Annual Trend

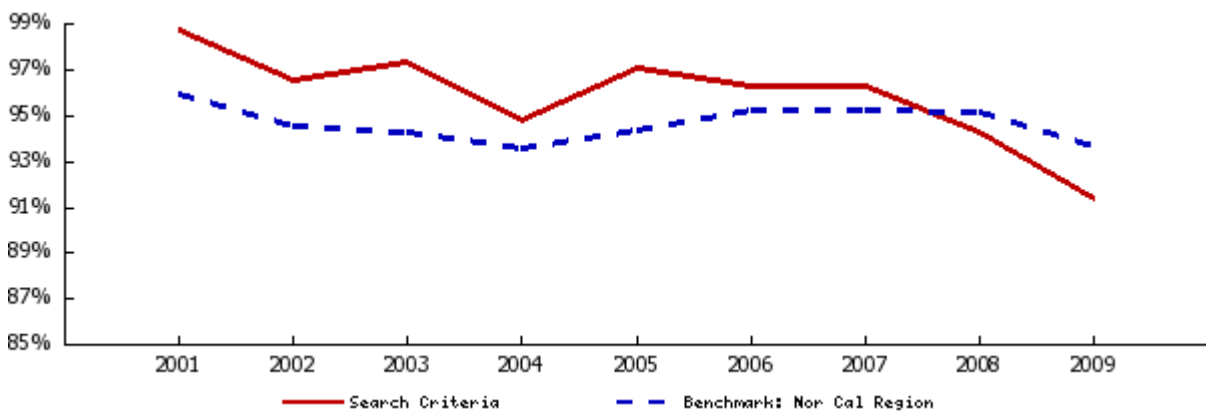
Average Asking Rent

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 4 Yr. Change |
|----------|-------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|
| AVERAGE | \$658 | \$703 | \$729 | \$733 | \$745 | \$774 | \$816 | \$833 | \$817 | 9.6% |
| studio | \$475 | \$528 | \$549 | \$547 | \$554 | \$568 | \$594 | \$626 | \$639 | 15.3% |
| jr 1bd | | | | | | | | | | |
| 1bd 1bth | \$589 | \$630 | \$654 | \$667 | \$674 | \$691 | \$717 | \$736 | \$719 | 6.6% |
| 2bd 1bth | \$697 | \$740 | \$753 | \$752 | \$764 | \$779 | \$814 | \$823 | \$790 | 3.5% |
| 2bd 2bth | \$746 | \$781 | \$799 | \$801 | \$817 | \$836 | \$868 | \$862 | \$849 | 3.9% |
| 2bd TH | \$657 | \$698 | \$720 | \$748 | \$727 | \$924 | \$1,016 | \$1,021 | \$1,022 | 40.5% |
| 3bd 2bth | \$975 | \$1,022 | \$1,030 | \$1,033 | \$1,038 | \$1,057 | \$1,098 | \$1,127 | \$1,091 | 5.2% |
| 3bd TH | | | | | | \$1,385 | \$1,385 | \$1,385 | \$1,385 | |



Average Occupancy Rate

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 4 Yr. Change |
|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|
| AVERAGE | 98.7% | 96.5% | 97.3% | 94.7% | 97.0% | 96.2% | 96.2% | 94.2% | 91.3% | -6.0% |





Market Overview

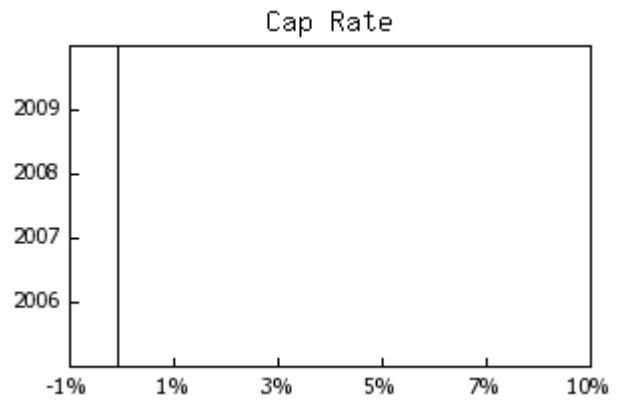
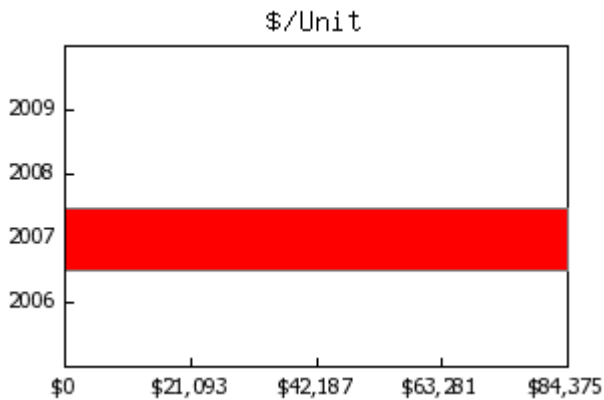
Sales Trends for City Turlock

2006-2009 , All Classes

| | 2009 | 2008 | 2007 | 2006 |
|--------------------|------|------|--------------|------|
| Total Transactions | 0 | 0 | 1 | 0 |
| Total Dollar Value | | | \$16,200,000 | |
| Total Square Feet | | | 192,000 | |
| Total Units | | | 192 | |

| | | | | |
|-------------------------------|--|--|--------------|--|
| Median Year Built | | | 1974 | |
| Average Square Footage | | | 192,000 | |
| Average Sale Price | | | \$16,200,000 | |
| Average Price Per Square Foot | | | \$84.38 | |
| Average CAP Rate | | | | |
| Average GRM | | | | |
| Average Units | | | 192.0 | |
| Average Price Per Unit | | | \$84,375 | |

| | 2009 | 2008 | 2007 | 2006 |
|-------------------------|--------|--------|--------|--------|
| Average Rent/sf (All) | \$1.04 | \$1.04 | \$1.02 | \$0.98 |
| Class A | \$1.14 | \$1.04 | \$1.04 | \$1.04 |
| Class B | \$0.98 | \$1.04 | \$1.01 | \$0.98 |
| Class C | \$1.04 | \$1.04 | \$1.01 | \$0.98 |
| Average Occupancy (All) | 91% | 94% | 96% | 96% |
| Class A | 81% | 89% | 94% | 76% |
| Class B | 90% | 95% | 94% | 96% |
| Class C | 92% | 94% | 97% | 97% |



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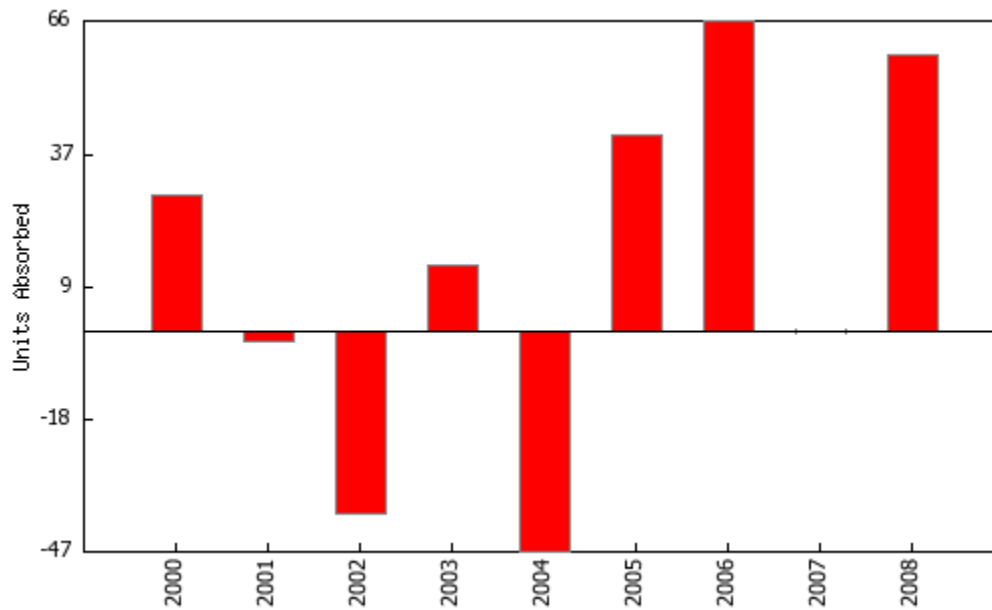
Market Overview

Absorption

Turlock
2Q2009

Units Absorbed

| | Units Built | Total Units | Occupancy Rate | Occupied Units | Units Absorbed |
|------|-------------|-------------|----------------|----------------|----------------|
| 1999 | 0 | 1,798 | 97.2% | 1,747 | N/A |
| 2000 | 0 | 1,798 | 98.8% | 1,776 | 29 |
| 2001 | 0 | 1,798 | 98.7% | 1,774 | -2 |
| 2002 | 0 | 1,798 | 96.5% | 1,735 | -39 |
| 2003 | 0 | 1,798 | 97.3% | 1,749 | 14 |
| 2004 | 0 | 1,798 | 94.7% | 1,702 | -47 |
| 2005 | 0 | 1,798 | 97.0% | 1,744 | 42 |
| 2006 | 84 | 1,882 | 96.2% | 1,810 | 66 |
| 2007 | 0 | 1,882 | 96.2% | 1,810 | 0 |
| 2008 | 103 | 1,985 | 94.2% | 1,869 | 59 |



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Market Overview

Area Analysis

Turlock
2Q2009

| Zipcode | Communities | % of Total | Avg. Occupancy | Yr /Yr Change | Avg. Rent | Yr /Yr Change |
|---------|-------------|------------|----------------|---------------|-----------|---------------|
| 95382 | 8 | 72.7% | 90.6% | -3.3% | \$828 | -1.3% |
| 95381 | 2 | 18.2% | 91.2% | -2.3% | \$777 | -0.8% |
| 95380 | 1 | 9.1% | 91.7% | -1.0% | \$744 | -6.5% |

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