

Project Easy Living: Tishman Speyer - Archstone-Smith Multifamily JV, LP

Bridge Equity Discounting Sensitivity

1. Deal Return Summary

Credit Facility Pricing:	Base	Alternate
Term Loan A	97.00%	96.00%
Term Loan B	97.00%	96.00%
Revolver	97.00%	96.00%
Gross Deal IRR	13.67%	13.57%
Asset Management Fee	(0.54%)	(0.53%)
Deal IRR After Asset Mgmt. Fee	13.13%	13.03%
Promote	(0.93%)	(0.92%)
Net Investor IRR	12.20%	12.12%

2. Bridge Equity Syndication Incentive Structure

Net Investor IRR - Alternate Case (Credit Facility @ 96)	12.12%													
Step 1: Eliminate Asset Mgmt. Fee and Promote	1.45%													
Net Investor IRR	13.57%													
Step 2: After 12 Months, Syndicate Without Carry	2.47%													
Net Investor IRR	16.04%													
Step 3: Sell Bridge Equity at a Discount														
Bridge Equity Value	100.00%	96.00%	95.00%	94.00%	93.00%	92.00%	91.00%	90.00%	89.00%	88.00%	90.00%	89.00%	88.00%	
Net Investor IRR	16.04%	16.84%	17.05%	17.26%	17.47%	17.69%	17.91%	18.13%	18.35%	18.58%	18.13%	18.35%	18.58%	

Base										
Unlevered Deal IRR	8.69%	(21,792,812,229)	3,814,141,922	1,201,965,169	615,600,293	3,413,890,434	573,191,137	1,092,668,670	23,839,400,419	
Gross Deal IRR	13.67%	(5,100,000,000)	1,000,000	33,664,138	26,379,505	1,092,727	92,069,359	507,138,262	11,697,624,446	
After A/M Fee	13.13%	(5,100,000,000)	1,000,000	93,601,044	26,379,505	1,092,727	1,125,509	305,390,508	11,525,827,436	
Net Investor IRR (After A/M Fee and Promote)	12.20%	(4,600,000,000)	-	83,495,451	22,836,389	(0)	-	274,404,642	9,802,510,644	
Alternate										
Unlevered Deal IRR	8.65%	(21,792,812,229)	3,769,076,922	1,201,965,169	615,600,293	3,413,890,434	573,191,137	1,092,668,670	23,839,400,419	
Gross Deal IRR	13.57%	(5,100,000,000)	1,000,000	33,664,138	26,379,505	1,092,727	31,748,960	507,138,262	11,697,624,446	
After A/M Fee	13.03%	(5,100,000,000)	1,000,000	93,601,044	26,379,505	1,092,727	1,125,509	296,243,017	11,467,530,478	
Net Investor IRR (After A/M Fee and Promote)	12.12%	(4,600,000,000)	-	83,495,451	22,836,389	(0)	-	266,153,965	9,762,227,534	

A. Alternate - Carry Paid @ 10% (12 mos)													
Effective Investor IRR	14.18%	(5,060,000,000)	30,363,732	23,793,279	985,597	28,636,316	457,418,825	10,550,798,520					
B. Alternate - No Carry (12 mos)													
Effective Investor IRR	16.04%	(4,600,000,000)	30,363,732	23,793,279	985,597	28,636,316	457,418,825	10,550,798,520					
C. Alternate - No Carry (15 mos) - at PAR													
Effective Investor IRR	16.80%	(4,600,000,000)	30,363,732	23,793,279	985,597	28,636,316	457,418,825	10,550,798,520					
D. Alternate - No Carry (15 mos) - at 90%													
Effective Investor IRR	19.00%	(4,140,000,000)	30,363,732	23,793,279	985,597	28,636,316	457,418,825	10,550,798,520					
Gross Deal IRR	13.57%	(4,600,000,000)	901,961	30,363,732	23,793,279	985,597	28,636,316	457,418,825	10,550,798,520				
Alternate (No Carry)													
Gross Deal IRR	16.04%	(4,600,000,000)	12/31/2008	09/30/09	09/30/10	09/30/11	09/30/12	09/30/13	09/30/14				
Bridge Equity Sale Price	100.00%	4,600,000,000	500,000,000	4,600,000,000	90.20%								
			-	5,100,000,000									
Bridge Equity Value	100.00%	99.00%	98.00%	97.00%	96.00%	95.00%	94.00%	93.00%	92.00%	91.00%	90.00%	89.00%	88.00%
Net Investor IRR (Carry IS Paid)	13.57%	13.73%	13.90%	14.07%	14.24%	14.41%	14.59%	14.77%	14.95%	15.13%	15.31%	15.50%	15.69%

Base													
Unlevered Deal IRR	9.37%	(21,876,831,625)	1,940,852,616	2,487,125,306	449,534,903	2,306,600,260	1,925,658,134	1,773,268,040	25,834,335,627				
Gross Deal IRR	15.19%	(5,100,000,000)	66,105,817	66,742,827	71,984,877	70,087,136	1,711,958,730	597,633,481	10,241,065,457				
After A/M Fee	14.18%	(5,100,000,000)	1,000,000	1,030,000	1,060,900	1,092,727	1,641,905,547	520,297,120	10,160,949,738				
Net Investor IRR (After A/M Fee and Promote)	13.09%	(4,600,000,000)	-	-	-	-	1,479,919,250	468,241,979	8,461,303,462				
Gross Deal IRR	15.92%	(4,416,000,000)	59,624,855	60,199,412	64,927,536	63,215,848	1,544,119,639	539,041,963	9,237,039,432				
Alternate (No Carry)													
Gross Deal IRR	18.41%	(4,416,000,000)	60,199,412	64,927,536	63,215,848	1,373,055,460	539,041,963	9,237,039,432					
Bridge Equity Sale Price	96.00%	4,416,000,000	500,000,000 4,600,000,000	90.20%									
		184,000,000	5,100,000,000										
Bridge Equity Value	100.00%	99.00%	98.00%	97.00%	96.00%	95.00%	94.00%	93.00%	92.00%	91.00%	90.00%	89.00%	88.00%
Net Investor IRR (Carry IS Paid)	15.19%	15.37%	15.55%	15.74%	15.92%	16.11%	16.30%	16.50%	16.69%	16.89%	17.09%	17.30%	17.50%
0.00%													
			09/30/08	09/30/09	09/30/10	09/30/11	09/30/12	09/30/13	09/30/14				
		21.09%	(4,416,000,000)	66,742,827	71,984,877	70,087,136	1,711,958,730	597,633,481	10,241,065,457				
	15.92%	(4,416,000,000)	59,624,855	60,199,412	64,927,536	63,215,848	1,544,119,639	539,041,963	9,237,039,432				
Bridge Equity Value	100.00%	99.00%	98.00%	97.00%	96.00%	95.00%	94.00%	93.00%	92.00%	91.00%	90.00%	89.00%	88.00%
Net Investor IRR (Carry IS Paid)	15.19%	15.37%	15.55%	15.74%	15.92%	16.11%	16.30%	16.50%	16.69%	16.89%	17.09%	17.30%	17.50%