

**Bridge Equity Discounting Sensitivity**  
Archstone

**Deal Return Summary**

**Credit Facility Pricing:**

Term Loan A (1)	100.00%
Term Loan B	90.00%
Revolver	90.00%
Gross Deal IRR	12.80%
Asset Management Fee	(0.65%)
Deal IRR After Asset Mgmt. Fee	12.14%
Promote	(0.77%)
<b>Net Investor IRR</b>	<b>11.37%</b>

**January Mark**

(A) Eliminate Fees & Promote			+	(B) 01/31/08 Markdown (89.93%)			=	TOTAL			Syndication Occurs 12 and 15 Months Post Closing					
Investor	Incr.	\$		Investor	Incr.	\$		Investor	Incr.	\$		12 Mos Out		15 Mos Out		
IRR	IRR	Equivalent		IRR	IRR	Amount		IRR	IRR	Equivalent		IRR	\$ Equivalent	IRR	\$ Equivalent	
12.80%	142 bps	(\$180,575,430)		13.09%	171 bps	(\$215,607,679)		14.55%	317 bps	(\$379,806,483)		(A) Eliminate Fees & Promote	15.13%	(\$440,252,062)	15.85%	(\$512,411,846)
												+ (B) 01/31/08 Markdown (89.93%)	15.45%	(\$473,438,199)	16.18%	(\$544,753,049)
												= TOTAL	17.22%	(\$640,761,480)	18.05%	(\$712,410,583)

**March Mark**

(A) Eliminate Fees & Promote			+	(B) Approximate 03/31/08 Markdown (78.24%)			=	TOTAL			Syndication Occurs 12 and 15 Months Post Closing					
Investor	Incr.	\$		Investor	Incr.	\$		Investor	Incr.	\$		12 Mos Out		15 Mos Out		
IRR	IRR	Equivalent		IRR	IRR	Amount		IRR	IRR	Equivalent		IRR	\$ Equivalent	IRR	\$ Equivalent	
12.80%	142 bps	(\$180,575,430)		15.38%	400 bps	(\$466,000,000)		16.89%	552 bps	(\$555,670,827)		(A) Eliminate Fees & Promote	15.13%	(\$440,252,062)	15.85%	(\$512,411,846)
												+ (B) 01/31/08 Markdown (78.24%)	18.19%	(\$671,136,090)	19.06%	(\$743,000,544)
												= TOTAL	20.03%	(\$868,619,197)	21.01%	(\$938,249,128)

**Sensitivities**

Sensitivity To Additional Mark & Exit Cap (Asset Management Fee and Promote Eliminated)										
		Discount To Equity								
		100.00%	95.00%	89.93%	85.00%	80.02%	78.00%	75.00%	70.00%	65.00%
		\$0 mm	(\$107) mm	(\$216) mm	(\$321) mm	(\$428) mm	(\$471) mm	(\$536) mm	(\$643) mm	(\$750) mm
\$ Equivalent @ Base Case Exit Cap	0.00%	12.80%	13.64%	14.55%	15.50%	16.51%	17.01%	17.61%	18.80%	20.09%
Exit Cap	0.25%	11.87%	12.71%	13.61%	14.56%	15.56%	16.06%	16.66%	17.84%	19.11%
	0.50%	10.97%	11.80%	12.69%	13.64%	14.63%	15.12%	15.71%	16.88%	18.15%

Exit Cap Sens. - Asset Mgmt. Fee and Promote Eliminated / Evaluated @ Jan. Mark (89.9% & 78.2%)					
		Discount to Equity (12 Mo)		Discount to Equity (15 Mo)	
		89.93%	78.24%	89.93%	78.24%
		(\$641) mm	(\$869) mm	(\$712) mm	(\$938) mm
\$ Equivalent @ Base Case Exit Cap	0.00%	17.22%	20.04%	18.05%	21.01%
Exit Cap	0.25%	16.11%	18.90%	16.88%	19.81%
	0.50%	15.01%	17.77%	15.72%	18.63%

Exit Cap Sens. - Asset Mgmt. Fee and Promote Eliminated / Evaluated @ Jan. Mark (80.0% & 77.1%)					
		Discount to Equity (12 Mo)		Discount to Equity (15 Mo)	
		80.02%	77.70%	80.02%	77.70%
		(\$834) mm	(\$879) mm	(\$904) mm	(\$949) mm
\$ Equivalent @ Base Case Exit Cap	15.13%	80%	78%	80%	78%
Exit Cap	0.00%	19.58%	20.18%	20.53%	21.16%
	0.25%	18.44%	19.04%	19.33%	19.96%
	0.50%	17.32%	17.91%	18.16%	18.78%

**Notes:**

(1) Assumes TLA is repaid at par through asset sales and refinancings.  
Note: SJ Ross sale assumed to occur in Year 1 at a \$10 million discount.