

EXHIBIT A: APPLICATION FOR FINANCING

A Development Finance Division (DFD) Financing Application – Form 202 – must be submitted which reflects all aspects of the project, including estimated development and operating budgets and pro forma. The application for funding must include all applicable exhibits and attachments as described in this package. Four copies of the application, including all applicable exhibits and attachments, must be sent in separate three-ring notebook binders with each exhibit tabbed.

ATTACHMENTS

- Form 202 – DFD Financing Application (form attached separately – executed hardcopy mandatory)

Avalon Apartments

PROJECT OVERVIEW

Avalon Apartments ("Avalon") is currently a 62 unit apartment complex located at 814-820 Southern Avenue, Southeast, Washington, DC.

As detailed in this Application, Avalon is in need of a rehabilitation in order to preserve the existing affordable housing units for the long term and to compliment the recently completed renovations to the immediately adjoining 118 affordable housing units, Southern Court Apartments ("Southern Court").

By way of background, in 2006, Vesta took over management of both Avalon and Southern Court and entered into development agreements to develop and ultimately purchase both properties. Due to their physical proximity, Vesta's development plan has always been to operate the two properties as one.

In mid 2006, because of the significant scope of work required at Southern Court, Vesta began and has now completed the Southern Court renovation work. With that renovation work now completed, this Application is an essential component to enabling Vesta to now acquire and rehabilitate Avalon. While the original financing plan for Avalon contemplated the use of 4% LIHTC Credits and Tax Exempt Bond Financing, similar to the Southern Court financing structure, the recent changes in the tax credit marketplace have dictated a change to 9% LIHTC and conventional financing.

Although the physical condition of Avalon was significantly better than Southern Court, Avalon still needs significant additional capital investment to improve its livability and to ensure its long term viability. In short, the redevelopment of Avalon will complete Vesta's original vision of bringing both Southern Court and Avalon into the 21st Century together.

The development plan for Avalon will help achieve that goal. The planned energy efficient and green building products will reduce residents' and the property's dependence on utilities and the associated costs, both in dollars and effect on the environment. As we have already witnessed at Southern Court, the renovations will boost the residents' pride in their homes and community. Finally, Vesta's plan to build a state of the art Learning/Community Center that will be operated by a professional non-profit education provider will assist children with their school work and provide GED and continuing education for the adults helping to bridge

both the digital and educational divides. Taken together, the contemplated pieces of the Avalon development coupled with the already completed renovations to Southern Court will bring these apartment communities into the 21st Century.

I. PROJECT DESIGN & AMENITIES

Design & Layout

Avalon Apartments' 62 units are made up of 1 and 2 bedroom apartment homes in four separate four-story apartment buildings. Each building address has its own secure front entranceway through which residents access their apartment homes. Upon completion of the development, Avalon will consist of 60 units with two of the units in building 820 being used to build out the Learning/Community Center space. Please see the Plans for further details.

The one bedroom Avalon apartment homes are 740 square feet, providing a comfortable living space for a couple and/or single person. The two bedroom Avalon apartment homes encompass 990 square feet, providing a comfortable living space for families with three to four members.

Structural Amenities

The development has the advantages of common amenities, including two laundry facilities and the planned Learning/Community Center.

Vesta's plans also include installation of a closed circuit TV system to monitor activity and access to the property. The focus of this system is to foster and maintain security within the apartment community. It is paramount that our residents feel both safe in their apartment and within Avalon's community grounds. We will utilize the 24 hour CCTV Security Camera System to help deter unlawful and inappropriate activities from taking place within the apartment community. We will work closely with local law enforcement agencies on both resident and non-resident related issues, and we will share information with them including relevant recordings from the CCTV System.

In addition to the new CCTV system, as a part of the redevelopment, new entry doors (with peep holes and/or sidelight windows) and deadbolt locks will be installed at each entryway. Also, entryway lighting will be improved to increase visibility for both residents entering their home and for neighbors keeping an eye out for one another. To that end, we will encourage our residents to form a neighborhood watch group and allow them to use the planned Learning/Community Center for meetings.

We believe that these added security features together with our strong property management team will combine to create a community in which residents feel safe both in their apartment and within the apartment community's grounds.

Community & Recreational Spaces

Vesta's featured service provided to all residents will be access to and use of the state of the art Learning/Community Center and Management Office. This Learning Center will include offices for management staff and approximately 15 workstations with new computers including high speed internet access. The goal of the Learning Center will be to provide a platform for educational opportunities for our residents that help create healthy choices that ultimately lead to positive and successful endeavors.

Vesta will identify a local non-profit education partner to conduct classes and to staff the Center. These classes will be tailored to the specific needs of our residents. The Learning Center will have a staff of teachers during all hours of operation. The teachers will coordinate the Learning Center curriculum with that being used in the children's schools. Additionally, there will be courses made available for adult residents such as GED test preparation.

In 2000, as a part of a major renovation and turnaround of Rainbow Terrace Apartments in Cleveland, Vesta provided the 484 families a state of the art learning center. Not only does the center have the best in computer equipment, it also has full time teachers to work with children and adults, and the opportunity for the residents to earn new computers and high speed internet access for their own apartments. Please see our website www.vestacorp.com and view the video on the success of the Rainbow Terrace Learning Center. Our consultants, The Kerry Company, developed the necessary software, or portal, which came to be called our "Ievillage." (See www.vestaievillage.com).

We also partnered with a local community college and the Cleveland Board of Education. The children's educational programs and curriculum are coordinated with the local schools. The community college administers the programs during a six day, fifty hour weekly schedule. Funds for the teachers were obtained through the Ohio Department of Education's 21st Century Learning Center Grant Program.

The Learning Center that is planned for Avalon Apartments will be based on the success of this same Rainbow Terrace model.

The apartment complex will also contain two playgrounds with picnic areas. Just as we believe all of our residents should feel safe and secure within their residence and the apartment community, we also believe that children should be able to be

children, playing at safe, fun, and stimulating spaces. The planned playgrounds and picnic areas will provide that space for the children and families of Avalon Apartments.

Public Services

As shown below, Avalon Apartments is conveniently located near public services, including public transportation, schools, public safety, and other government services.

Service	Distance in miles	Name
Bus Stop	0.00	Corner of Southern & Chesapeake (on-site)
Elementary School	.25	Hendley
Junior High School	.6	Hart
High School	.8	Ballou
Community College		
Daycare	.5	Multiple
Library	1.0	Washington Highlands
City Hall	N/A	14 th Street, NW
Police Department	1.0	7 th District, HQ-Alabama
Fire Department	.75	

Community Services

Avalon Apartments is only a short distance from needed shopping, entertainment, and health services. In addition to neighborhood services within walking distances, other services are only a short ride or bus trip away.

<u>Service</u>	<u>Distance in miles</u>	<u>Name</u>
Gas station	.5	Shell
Grocery store	.1	Tiger Foods
Bank	.5	Bank of America
Park	.5	Wheeler Park
Hospital	.5	Greater Southeast
Restaurant	.5	Multiple
Theater	2.0	Rivertown
Shopping	.1 and .5	Southern Market Place & Eastover

Green Communities/Energy Efficiency

The use of energy efficient, green building products, and green building techniques complements Vesta's overall goal to provide a safe and affordable home for our residents. By reducing energy costs for our residents, there is one less financial

burden on their shoulders allowing them to focus on more pressing issues. Additionally, by “going green” Vesta fulfills another of its goals, being a good neighbor. By reducing our own carbon footprint we hope that we are providing the right example and helping to meet a larger goal of responsibility and sustainability.

To further our goal of making Avalon Apartments energy efficient and a “green” community, we are planning on including the following examples in the redevelopment.

- New thermal windows
- Ample insulation existing
- Energy Star heat pumps – for heating and cooling
- Energy Star refrigerators
- Energy efficient light fixtures
- Water conserving toilets, faucets, showerheads
- Programmable thermostats
- Low VOC paints, primers, sealants, adhesives
- Green label floor coverings
- Smoke free policy in buildings

For additional information, please see the included full plans and specifications, the Green Communities Criteria, and the Green Development Plan.

Accessibility

As a part of the development, Vesta will convert 3 apartment units in building 820 Southern Avenue to handicap accessible units. Please see the included Plans that illustrate the new, accessible apartment layouts.

II. DEVELOPMENT and MANAGEMENT EXPERIENCE

Vesta has built on the wealth of experience gained by its principals, Steve Erie and Arthur Greenblatt, who have been together in the affordable housing business since 1981. Vesta’s principals have closed financings totaling over \$750 million for the development and finance of more than 17,000 housing units in 11 states, plus the District of Columbia. Vesta Management Corporation is a wholly owned subsidiary. It currently manages 21 properties totaling 3,700 units in Connecticut, Ohio, New Jersey and the District of Columbia with gross annual property revenue of over \$37 million. Please see www.vestacorp.com.

We are proud of our track record and value the reputation that we have earned. We are sought after by national lenders and equity investors. They seek our properties in their portfolios because they have a high degree of confidence that if it is a Vesta deal, it will

be successful and perform at a quality level for the long term. Specifics to support these facts are:

- We have not had a default on any mortgage or other financing that we have closed since 1990 (over 18 years).
- We have closed many LIHTC projects starting in 1987 and we have not once had a downward adjustor for not delivering the planned tax credits.
- We have not had a construction budget overrun or a missed construction completion date for over 10 years. (In 2007-8 alone we had over \$80 million of construction contracts underway.)
- Presently, all of our stabilized properties in our management portfolio are paying full property management fees and they all have positive cash flow (in some cases significant amounts of cash flow). This will provide about \$2.9 million of cash to Vesta Corporation in 2009 to pay its operating costs.
- Vesta Corporation was created in 1998 and has had profitable results for 11 consecutive years, including our most recent fiscal year ending January 31, 2009.

In order to produce these significant results we need to consistently: (a) structure well designed development plans, (b) successfully implement them, and (c) maintain sound property management. To produce these noteworthy results over such a long period of time it is essential that we perform at a high quality level in all three of these integral aspects of our business. In short, we are committed to our business. It is very important to us; not only what we do, but how we do it.

Vesta has 28 employees in its home office plus 119 on-site property management employees for a total of 147. Its staff is highly experienced in all aspects of affordable housing development, finance and management, including using government assistance programs such as:

- Low Income Housing Credits;
- The HOME Program;
- FHA mortgage insurance;
- Section 8, project-based, as well as certificates and vouchers;
- Tax-exempt bonds;
- RTC Affordable Housing Program;
- Various HUD and other federal grant programs; and
- Various state and local financing and rental subsidy programs.

Vesta has developed and managed properties that range in size from 24 units to nearly 500. Characteristics of these properties cross the spectrum of affordable rental housing:

- Moderate renovation to substantial (including historic) rehabilitation and new construction;

- Rents from market rate to subsidized including rents restricted by federal and state financing;
- Debt financing from conventional sources, FHA-insured, CDBG and HOME funds, taxable and tax exempt bonds;
- Equity financing from the sale of historic and low-income housing tax credits through private placement as well as national equity funds; and
- Grant financing arranged to pay for development costs as well as learning center operating costs.

Throughout all aspects of Vesta's operations, quality is more important than quantity. To Vesta, quality housing means more than shelter. It means making a commitment to residents to provide a means for those residents to solve problems and improve their lives.

MULTIFAMILY MARKET ANALYSIS

The purpose of the apartment market study is to identify existing and proposed apartment communities in the immediate market area; and to analyze the equilibrium of supply of and demand in the current market. We have also utilized some inferred analysis techniques, which reflect an in-depth study of anticipated demand and market conditions focusing on the specific market area of the subject and providing reasoning and quantifiable evidence for projections of future market conditions.

Our apartment market analysis begins with a metro area overview and then narrows its focus on the Anacostia / Northeast DC submarket.

REGIONAL APARTMENT OVERVIEW (WASHINGTON, DC MSA)

The subject is located within the Washington Metropolitan area and is impacted by its overall market conditions. The information below is based on excerpts from Market Information: Washington, DC 1st Quarter 2008, a collaborative report from Transwestern Commercial Services, Delta Associates, and George Mason University's Center for Regional Analysis. The following bullet points are conditions and factors that will allow the Washington area to continue its growth and resilience to adversity.

- The Washington area economy slowed during the first few months of 2008, although unemployment remains lowest in the nation at 3.0%. Despite cooling conditions, the metro area remains one of the top economic centers in the nation.
- Payroll employment increased 27,600 in the Washington metro area over the 12 months ending January 2008, ranking 8th among metro areas in the nation. This pace of growth, compared to the 15-year average of 53,400 per annum, feels like a significant slow down, especially after growth levels of 55,000 to 60,000 in 2003 through 2006. However, it is sturdy enough to support a healthy commercial real estate market if product production is held in check.
- The Washington area unemployment rate ticked up 10 basis points during the past year to 3.5% in January 2008. Today's unemployment rate is below the average unemployment rate of the 1900s, which was 3.9%.
- Delta Associates reports that Class B apartment rents and vacancy rates are up year-over-year. Average rental rates increased to \$1,300, up 3.3% from a year ago. Vacancy increased by 90 basis points to 4.4% during the same period.
- During the first two months of 2008, there have been two Class B apartment sales noted, one high-rise and one garden property totaling 840 units. The garden property traded at a price of \$119,658 per unit and the high-rise sale averaged \$239,274 per unit. Last year at this time there were three garden properties sold averaging \$115,663 and no high-rise sales.

- Delta Associates expects the Washington metro area economy to make modest gains in 2008, as the aftermath of the Credit Crunch continues to unravel. Although they expect growth to slow this year, Delta Associates anticipates improving conditions in 2009 and 2010 as the economy regains its footing.

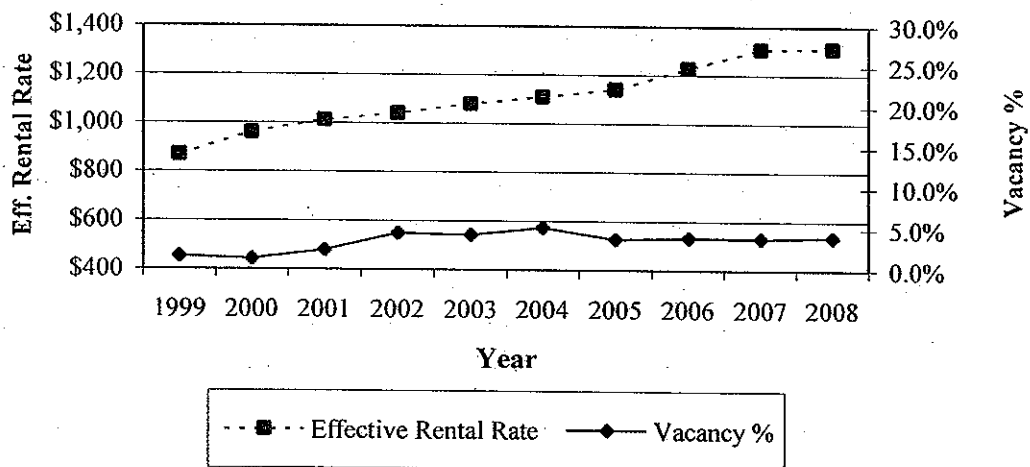
METRO AREA OVERVIEW

Supply and demand indicators for multifamily housing in the Washington, DC metropolitan area, including inventory levels, absorption, vacancy, and rental rates for all classes of properties are presented below. The data is provided by REIS, Inc., a recognized source.

DISTRICT OF COLUMBIA METRO AREA APARTMENT MARKET							
Year	Quarter	Inventory Completions			Net Absorption (Units)	Effective Rental Rate	% Change
		(Units)	(Units)	Vacancy %			
1999	Annual	82,189	128	1.6%	223	\$869	10.6%
2000	Annual	82,331	142	1.3%	437	\$962	10.7%
2001	Annual	82,647	316	2.4%	-591	\$1,013	5.3%
2002	Annual	83,147	500	4.5%	-1,300	\$1,042	2.9%
2003	Annual	84,413	1,462	4.3%	1,350	\$1,081	3.7%
2004	Annual	85,026	1,057	5.2%	-120	\$1,111	2.8%
2005	Annual	83,913	183	3.8%	85	\$1,142	2.8%
2006	Annual	84,167	955	4.0%	49	\$1,229	7.6%
2007	Annual	84,635	567	3.9%	544	\$1,308	6.4%
2008	I	84,824	189	4.1%	60	\$1,311	

Source: REIS, Inc.; compiled by Integra Realty Resources, Inc.

VACANCY RATE VS EFFECTIVE RENTAL RATE



Source: REIS, Inc.; compiled by Integra Realty Resources, Inc.

The District of Columbia Metro Area multifamily market contains an overall inventory of about 84,824 units. Overall inventory has increased at a 0.3% annual rate over the past 9.25 years.

The market has generally strengthened over the last five years. The overall vacancy rate is estimated to be 4.1% as of the current time, which represents a modest increase from a low mark of 1.3% reported in 2000, but a slight decrease from a recent high market of 5.2% in 2004.

The effective rental rate is \$1,311 per unit, which represents an increase from a low mark of \$869 per unit in 1999. Rental rates have increased an average of 5.5% per year since that time.

The following table summarizes the various submarkets within the District of Columbia metro area apartment market as of the 1st Quarter of 2008.

Submarket	Inventory	Vac %	Net Absorption	Asking Rent	Effective Rent
Northwest D.C./Georgetown	10,058	3.4	-70	\$1,601	\$1,550
Woodley Pk./Cleveland Pk./Van Ness	10,162	4	-132	\$1,822	\$1,806
Foggy Bottom	5,006	5	-50	\$1,723	\$1,673
Downtown/Logan Circle	9,935	7.1	61	\$1,542	\$1,439
Dupont Circle/Adams Morgan	11,792	3.7	47	\$1,559	\$1,512
Howard U./Mt. Pleasant/Brightwood	7,609	3	-7	\$1,089	\$1,064
Brookland/Ft. Totten	4,538	4.4	-14	\$961	\$935
Capitol Hill/Southwest	6,327	1.9	-6	\$1,295	\$1,241
Anacostia/Northeast DC	19,397	4	231	\$880	\$855

Source: Reis Reports

In the following table, in which we have excluded condominium and townhouse projects, 1,341 apartment units were completed from 1st Quarter 2006 through 4th Quarter 2007. There are 1,366 units under construction and 4,611 units planned / proposed in Washington, DC. Based on increases in new apartment construction, it appears that the market demand in Washington, DC is being met by a substantial increase in supply. We will discuss projected supply and demand factors for the subject's submarket later in this section.

Property Name	Secondary Type	Submarket	Est. Completion Month	Est. Completion Year	Size /Units	Status
HENSON RIDGE PH II	Townhomes	Anacostia/Northeast DC	01	2009	50	Under Constr.
JEFFERSON AT 100 I ST SQUARE 54	Apartment	Capitol Hill/Southwest	12	2008	246	Under Constr.
UNION PLACE PH I	Apartment	Foggy Bottom			333	Proposed
UNION PLACE PH II	Apartment	Anacostia/Northeast DC	07	2009	212	Under Constr.
CAPITOL GATEWAY ESTATES	Subsidized/Low Income	Anacostia/Northeast DC			500	Planned
DANBURY STATION	Townhomes	Anacostia/Northeast DC	11	2007	120	Complete
HENSON RIDGE PH IIB	Townhomes	Anacostia/Northeast DC	05	2007	119	Complete
HENSON RIDGE PH III	Townhomes	Anacostia/Northeast DC	01	2009	270	Under Constr.
RHODE ISLAND METRO APARTMENTS	Subsidized/Low Income	Anacostia/Northeast DC			156	Under Constr.
SAVANNAH HEIGHTS APARTMENTS	Apartment	Anacostia/Northeast DC	12	2009	216	Planned
23 EYE ST	Subsidized/Low Income	Anacostia/Northeast DC	03	2006	100	Complete
CAPITOL QUARTER PH I	Apartment	Capitol Hill/Southwest	06	2011	421	Planned
CAPITOL QUARTER PH II	Townhomes	Capitol Hill/Southwest	03	2009	323	Planned
JEFFERSON AT 70 I ST	Townhomes	Capitol Hill/Southwest			323	Planned
RANDALL SCHOOL PROJECT	Apartment	Capitol Hill/Southwest	02	2009	448	Planned
THE WATERFRONT PH I-III	Apartment	Capitol Hill/Southwest			350	Proposed
	N/A	Capitol Hill/Southwest			1000	Proposed
OLD CONVENTION CENTER APARTMENTS	Apartment	Capitol Hill/Southwest	11	2009	237	Under Constr.
THE V	Apartment	Downtown/Logan Circle			457	Proposed
THE FLATS AT DUPONT CIRCLE	Apartment	Downtown/Logan Circle	01	2009	195	Under Constr.
2400 M APARTMENTS	Apartment	Dupont Circle/Adams Morgan	06	2006	306	Complete
GEORGIA COMMONS	Apartment	Foggy Bottom	05	2006	360	Complete
HOWARD TOWN CENTER	Apartment	Howard U./Mt. Pleasant/Brightwood	06	2010	66	Proposed
VIEW 14	Apartment	Howard U./Mt. Pleasant/Brightwood			322	Proposed
GEORGETOWN HEIGHTS	Apartment	Howard U./Mt. Pleasant/Brightwood	06	2009	185	Planned
	Townhomes	Northwest D.C./Georgetown	03	2006	44	Complete

SUBMARKET ANALYSIS

The subject is located in the Anacostia/Northeast apartment submarket. Key supply and demand indicators for all classes of space in this submarket are displayed in the table on the following page, followed by a separate table showing Class B/C properties only.

ANACOSTIA/NORTHEAST DC SUBMARKET							
Year	Quarter	Inventory Completions		Vacancy %	Net Absorption		Effective Rental Rate % Change
		(Units)	(Units)		(Units)	(Units)	
1999	Annual	19,731	0	3.9%	0	\$605	7.3%
2000	Annual	19,731	0	2.4%	296	\$617	2.0%
2001	Annual	19,731	0	3.7%	-256	\$634	2.8%
2002	Annual	19,731	0	4.5%	-158	\$670	5.7%
2003	Annual	19,731	0	3.8%	138	\$687	2.5%
2004	Annual	19,365	0	4.8%	-546	\$722	5.1%
2005	Annual	18,965	0	4.5%	-323	\$749	3.7%
2006	Annual	18,965	0	3.7%	151	\$799	6.7%
2007	Annual	19,397	432	5.2%	127	\$857	7.3%
2008	1	19,397	0	4.0%	231	\$855	

Source: REIS, Inc.; compiled by Integra Realty Resources, Inc.

SUBMARKET - CLASS B/C PROPERTIES								
Year	Quarter	Inventory Completions			Vacancy %	Net Absorption	Asking	
		(Units)	(Units)	(Units)		Rental Rate	% Change	
1999	Annual	16,929	0	3.9%	-29	\$586	5.8%	
2000	Annual	16,929	0	2.3%	269	\$591	0.9%	
2001	Annual	16,929	0	3.6%	-225	\$631	6.8%	
2002	Annual	16,929	0	3.8%	-25	\$666	5.5%	
2003	Annual	16,929	0	4.1%	-62	\$676	1.5%	
2004	Annual	16,929	0	5.1%	-159	\$722	6.8%	
2005	Annual	16,529	0	4.7%	-313	\$741	2.6%	
2006	Annual	16,529	0	3.7%	159	\$791	6.7%	
2007	Annual	16,961	432	4.9%	212	\$848	7.2%	
2008	1	16,961	0	3.6%	220	\$844		

Source: REIS, Inc.; compiled by Integra Realty Resources, Inc.

Supply Analysis

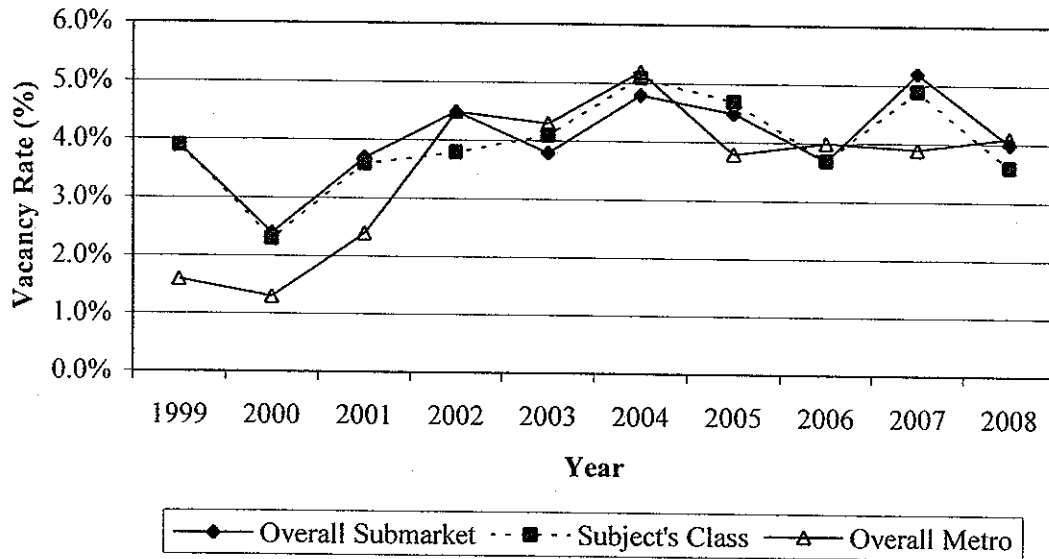
The Anacostia/Northeast submarket contains an overall inventory of 19,397 units, of which 16,961 units or 85.6% are Class B/C units. According to *Reis*, 432 units were added in the Anacostia/Northeast submarket over the past nine years. Furthermore, 400 units were converted to condominiums in 2005. The effective Class B/C rental rate has increased from \$586 in 1999 to \$844 in 1st Quarter 2008, or approximately 4.8% annually.

As indicated in the Surrounding Area Analysis section of the report, there has been healthy development activity for both for sale and for rent multifamily properties in the subject's Anacostia/Northeast submarket.

Vacancy Rate Trends

Vacancy rate trends for the Anacostia / Northeast submarket are charted below.

VACANCY RATE COMPARISON



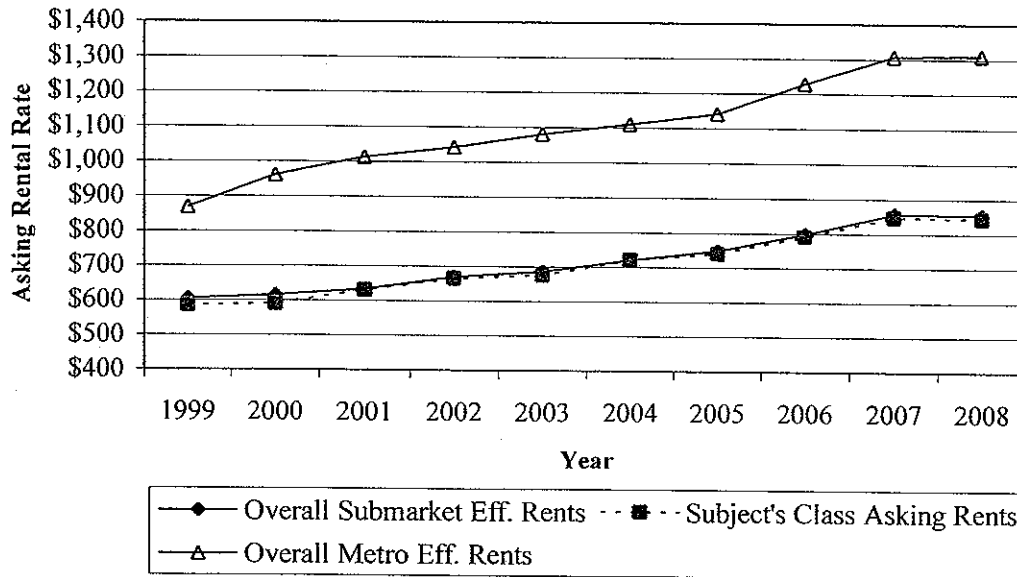
Source: REIS, Inc.; compiled by Integra Realty Resources, Inc.

Overall submarket vacancy (all classes of properties combined) is estimated at 4.0% as of 1st Quarter 2008, which represents a modest decrease from a recent high mark of 5.2% in 2007. Class B/C vacancy is slightly lower at 3.6% and has been moving downward since its recent peak of 5.1% in 2004.

Rental Rate Trends

Trends in reported rents for the Anacostia / Northeast submarket are shown in the following chart.

RENTAL RATE COMPARISON



Source: REIS, Inc.; compiled by Integra Realty Resources, Inc.

The average effective rent for the overall submarket is \$855 per unit, which represents an increase from the low mark of \$605 per unit in 1999. Effective rents have increased an average of 4.5% per year since that time.

The Class B/C asking rental rate is slightly lower at \$844 per unit and has been moving upward since its low point of \$586 per unit in 1999. Class B/C asking rents have increased an average of 4.8% per year since that time.

PEER GROUP ANALYSIS

The most significant supply and demand indicators for the subject are the occupancy rates exhibited by directly competing properties. A summary of the apartment properties considered to be primary competition (upon completion of proposed renovations) for the subject is shown on the following page.

Note: Rentals 3 and 4 are market rate communities, while the remaining comps are rent restricted, Section 42, or LIHTC.

MARKET AREA DEMOGRAPHICS

The following demographic data for Anacostia, generally delineated as the southeast portion of DC, and Washington, DC was compiled using Claritas, Inc. As indicated in the following charts, population and households in the market area have declined over the past eighteen years and Claritas, Inc. projects only a slight increase in the foreseeable future. However, it should be noted that Claritas, Inc. does not take into consideration development activity such as projects that are under construction, proposed, or planned. The District of Columbia's Office of Planning forecasts population and household growth, which appears consistent with national and regional trends indicating the desirability of city living. In the following section, we will first illustrate Claritas, Inc. population and household projections followed by the Metropolitan Washington Council of Government's projections. Note: The Metropolitan Washington Council of Government's projections utilize TADs (Transportation Analysis Districts) for their demographic forecasts. The subject's Anacostia neighborhood is within the 33rd, 34th, and 35th TADs.

POPULATION AND HOUSEHOLDS

Claritas data indicates that Anacostia (2008 estimate) accounts for 14.2% of the total Washington, DC population, and 12.0% of Washington, DC's households. The Anacostia area population increased between 2000 and 2008 by 0.59%. Meanwhile, households increased between 2000 and 2008 by 2.07% and are projected to increase by 1.29% between 2008 and 2013. Projections indicate a 0.23% increase in population and a 1.29% increase in households for Anacostia through 2013.

Description	<i>Anacostia Washington, DC</i>	
Population		
2013 Projection	82,927	586,532
2008 Estimate	82,738	582,325
2000 Census	82,252	572,059
1990 Census	95,480	606,900
Growth 2008-2013	0.23%	0.72%
Growth 2000-2008	0.59%	1.79%
Growth 1990-2000	-13.85%	-5.74%
Households		
2013 Projection	31,462	262,937
2008 Estimate	31,060	257,819
2000 Census	30,429	248,338
1990 Census	33,465	249,634
Growth 2008-2013	1.29%	1.99%
Growth 2000-2008	2.07%	3.82%
Growth 1990-2000	-9.07%	-0.52%

TAD 33		District of Columbia							
TAD	TAZ	Acres	2005 Population	2010 Population	2015 Population	2020 Population	2025 Population	2030 Population	
33	292	233.9	3,335	3,702	3,612	3,806	3,956	3,961	
33	293	299.6	10,807	11,543	11,263	11,763	12,148	12,165	
33	294	162.4	3,227	3,251	3,173	3,329	3,447	3,452	
33	295	102.0	820	826	806	831	884	886	
33	296	127.8	1,919	2,277	2,222	2,336	2,422	2,425	
33	297	361.4	723	722	722	722	1,350	1,650	
33	298	160.6	4,789	5,832	5,940	6,221	6,427	6,436	
33	299	245.3	2,315	2,333	2,276	2,383	2,464	2,467	
Subtotal		1,691.2	27,935	30,486	30,014	31,411	33,095	33,442	

TAD 34		District of Columbia							
TAD	TAZ	Acres	2005 Population	2010 Population	2015 Population	2020 Population	2025 Population	2030 Population	
34	300	157.6	6,155	6,202	6,051	6,325	6,538	6,547	
34	301	281.8	5,243	5,283	5,155	5,401	5,599	5,607	
34	302	145.8	2,079	2,095	2,044	2,167	2,263	2,268	
34	303	71.0	231	233	228	241	253	253	
34	304	234.7	2,896	3,030	2,957	3,125	3,257	3,260	
34	305	198.6	5,117	5,156	5,031	5,388	5,498	5,505	
34	306	278.1	3,202	3,227	3,148	3,321	3,457	3,462	
34	307	256.3	238	235	608	1,283	1,958	2,108	
34	308	110.1	2,631	2,650	2,836	2,973	3,758	4,426	
34	309	154.3	4,878	5,136	5,261	5,518	5,709	5,717	
34	310	261.8	5,070	5,175	5,124	5,387	5,580	5,587	
34	311	235.0	4,362	4,396	4,290	4,501	4,658	4,665	
34	312	197.5	5,651	5,694	5,807	6,055	6,230	6,237	
Subtotal		2,582.6	47,753	48,512	48,540	51,586	54,760	55,642	

TAD 35		District of Columbia							
TAD	TAZ	Acres	2005 Population	2010 Population	2015 Population	2020 Population	2025 Population	2030 Population	
35	313	768.4	0	0	0	0	0	0	
35	314	335.9	771	761	758	771	775	764	
35	315	592.8	599	603	589	619	643	644	
35	316	195.1	4,581	5,960	5,816	6,112	6,336	6,344	
35	317	108.8	719	726	708	746	776	777	
35	318	1,138.9	4,325	4,359	4,253	4,456	4,606	4,612	
35	319	881.8	46	46	46	46	46	46	
Subtotal		4,021.7	11,041	12,455	12,170	12,750	13,182	13,187	

Source: Metropolitan Washington Council of Government's, released January 2008

TAD 33 District of Columbia								
TAD	TAZ	Acres	2005 Households	2010 Households	2015 Households	2020 Households	2025 Households	2030 Households
33	292	233.9	1,492	1,632	1,666	1,768	1,871	1,871
33	293	299.6	3,749	3,749	3,829	4,108	4,387	4,467
33	294	162.4	988	988	988	1,071	1,154	1,154
33	295	102.0	343	343	343	349	356	356
33	296	127.8	935	935	935	956	977	977
33	297	361.4	1	0	0	0	314	464
33	298	160.6	1,490	1,538	1,538	1,604	1,650	1,650
33	299	243.5	566	566	560	775	790	790
Subtotal		1,691.2	9,564	9,771	10,079	10,631	11,489	11,729

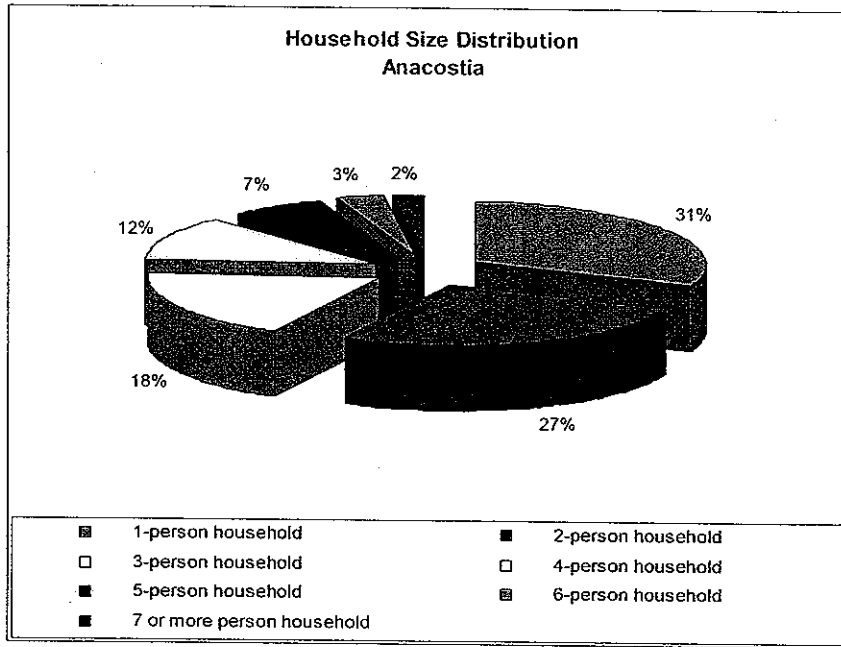
TAD 34 District of Columbia								
TAD	TAZ	Acres	2005 Households	2010 Households	2015 Households	2020 Households	2025 Households	2030 Households
34	300	157.6	2,354	2,354	2,354	2,360	2,368	2,368
34	301	281.8	2,228	2,228	2,228	2,345	2,462	2,502
34	302	145.8	1,127	1,127	1,127	1,134	1,142	1,142
34	303	71.0	109	109	109	110	110	110
34	304	234.7	1,402	1,402	1,488	1,514	1,539	1,539
34	305	198.6	2,444	2,444	2,463	2,524	2,585	2,585
34	306	278.1	1,375	1,375	1,375	1,411	1,447	1,447
34	307	256.3	70	70	405	855	1,305	1,405
34	308	110.1	790	790	790	1,015	1,240	1,240
34	309	154.3	1,650	1,733	1,840	2,191	2,542	2,622
34	310	261.8	2,019	2,053	2,033	2,361	2,669	2,749
34	311	335.0	1,504	1,536	1,536	1,630	1,725	1,725
34	312	197.5	306	846	846	951	1,057	1,087
Subtotal		3,582.6	17,378	18,067	18,614	20,401	22,191	22,621

TAD 35 District of Columbia								
TAD	TAZ	Acres	2005 Households	2010 Households	2015 Households	2020 Households	2025 Households	2030 Households
35	313	768.4	0	0	0	0	0	0
35	314	335.9	154	154	154	161	168	168
35	315	592.8	204	204	204	204	204	204
35	316	195.1	1,900	2,007	2,007	2,147	2,286	2,326
35	317	108.8	280	280	280	285	292	292
35	318	1,138.9	1,157	1,157	1,157	1,157	1,157	1,157
35	319	881.8	0	0	0	0	0	0
Subtotal		4,011.7	3,696	3,892	3,892	3,954	4,107	4,147

Source: Metropolitan Washington Council of Government's, released January 2008

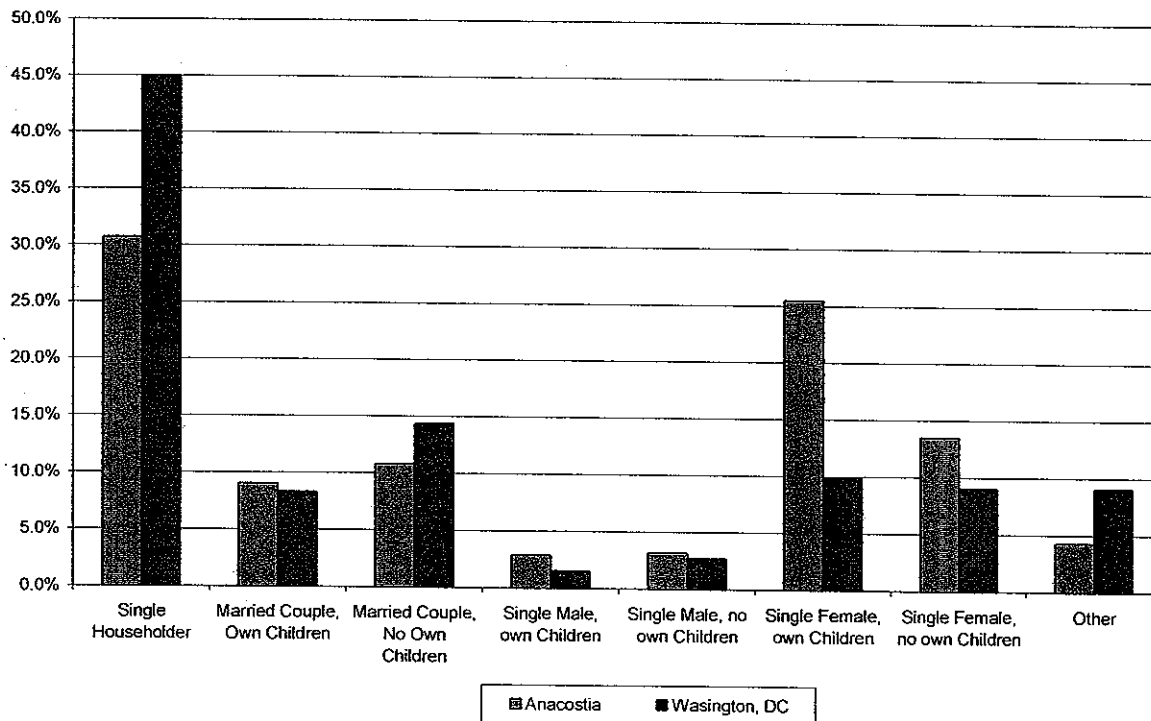
Although Claritas, Inc. projects decline in population and households, The Metropolitan Washington Council of Governments illustrates a brighter future with population and household growth through 2030.

The 2008 average household size is 2.58 persons in Anacostia and 2.13 persons for Washington, DC as a whole. Since 1970, the average household size has decreased locally as well as nationally. The majority of Anacostia residents consist of one- and two-person households.



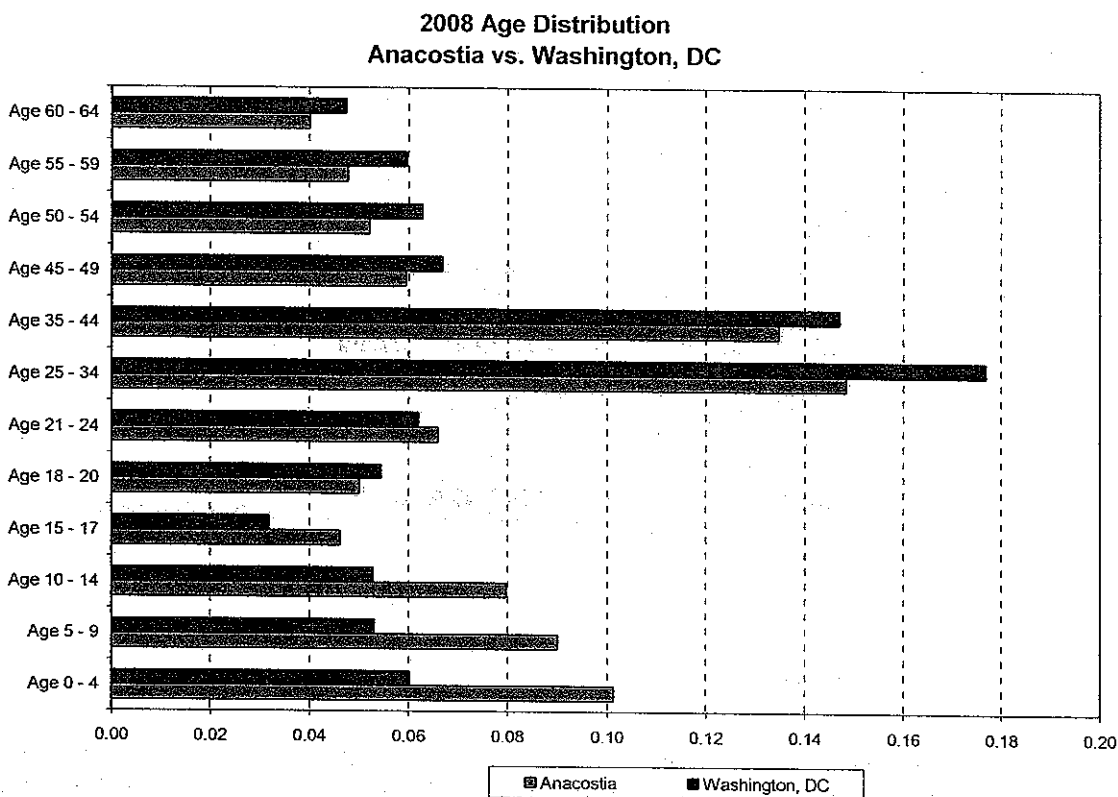
The chart below shows a large presence of married couple and single-person households with no children. The following graph illustrates household type segments among both areas:

2008 Household Types Anacostia vs. Washington, DC



Source: 2008 Claritas, Inc.

The 2008 estimated median and average age in Anacostia is estimated to be 29.51 and 32.04, respectively. The median and average age in Washington, DC is estimated to be 35.62 and 37.74, respectively.



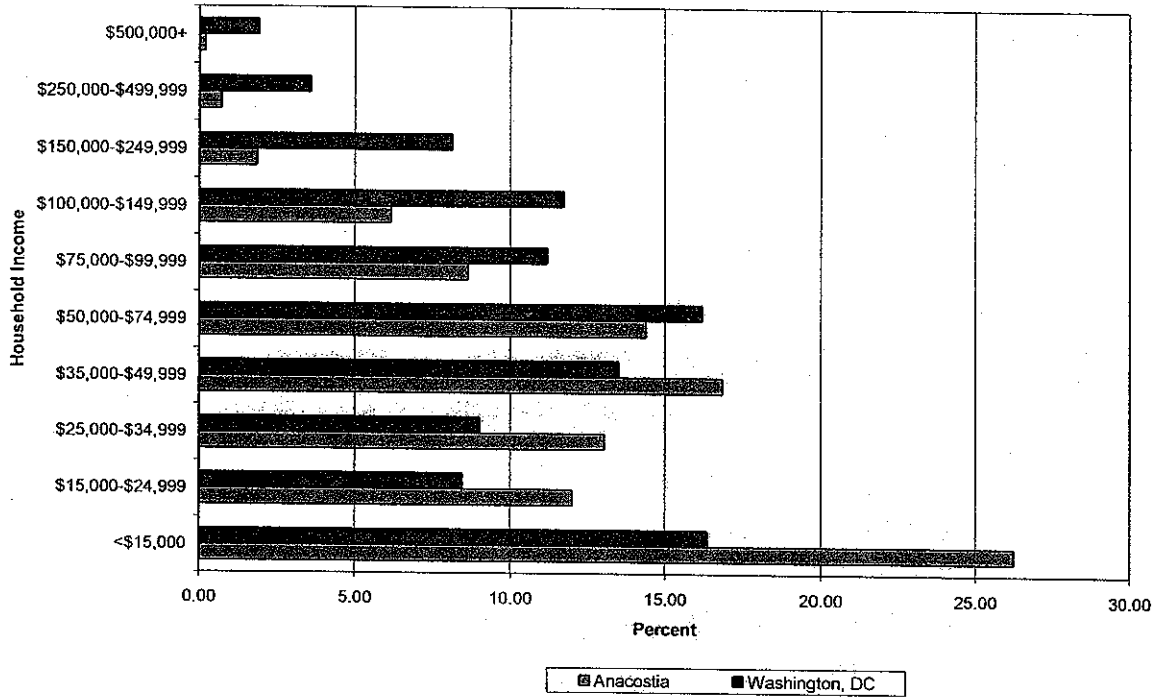
Source: Claritas, Inc.

Anacostia has historically had a smaller percentage of owner-occupied dwellings than Washington, DC as a whole. Estimates for 2008 indicate that 24.62% of Anacostia households are owned compared to Washington, DC's 40.23%.

INCOME AND EMPLOYMENT

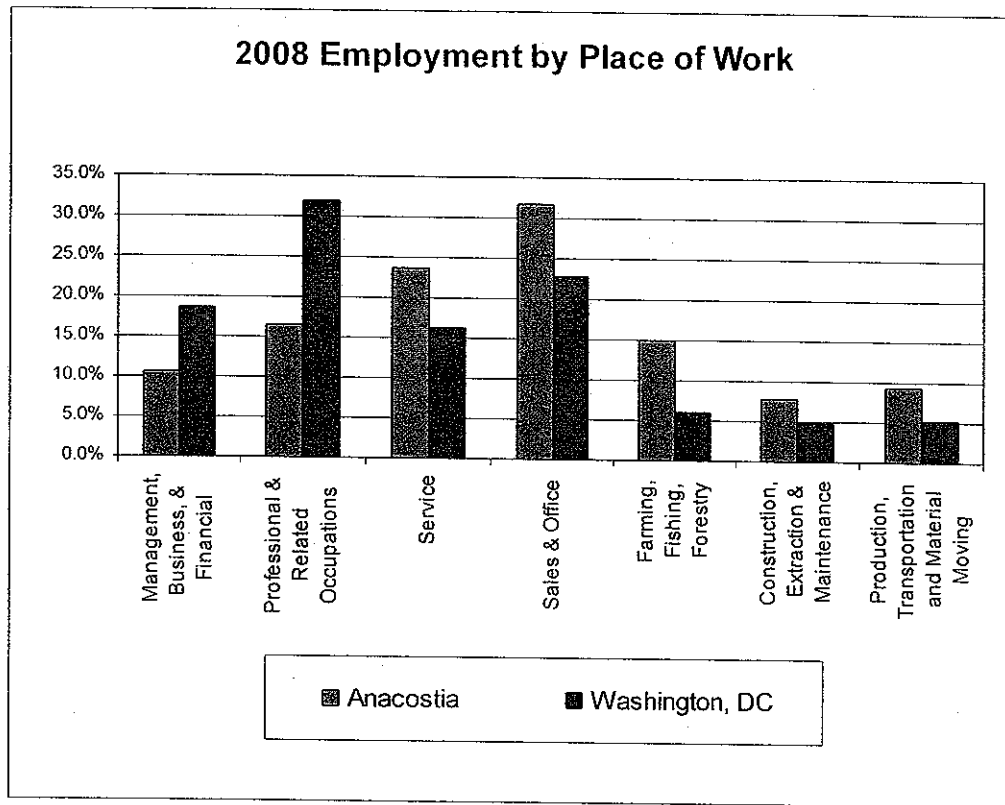
As illustrated in the following graph, the largest portion of households in Washington, DC earn less than \$15,000 annually (16.37%); the next largest segment is households earning between \$50,000 and \$74,999 per year (16.20%). The estimated 2008 average household income for Washington, DC is \$84,338, while the median household income estimate is \$54,182. In comparison, the largest portion of households in Anacostia earn less than \$15,000 annually (26.24%); the next largest segment is households earning between \$35,000 and \$49,999 per year (16.85%). The estimated 2008 average household income for the Anacostia area is \$46,201, while the median household income is estimated at \$34,037.

2008 Household Income
Anacostia vs. Washington, DC



Source: Claritas, Inc.

Claritas reports that employment in Anacostia has approximately 59.00% of the population holding white-collar jobs and 17.13% of the population holding blue-collar jobs, while Washington, DC has approximately 73.45% of the population holding white-collar jobs and 10.13% of the population holding blue-collar jobs. The estimated 2008 largest segment of employment for the Anacostia area is Sales and Office at 31.79%, followed by Service at 23.72%. The estimated 2008 largest segment of employment for Washington, DC is Professional and Related Occupations at 31.96%, followed by Sales and Office at 22.88%.



Source: Claritas, Inc.

CONCLUSION

Although Claritas, Inc. current estimates and projections show only a slight increase in population and households, the District of Columbia’s Office of Planning and the Metropolitan Washington Council of Governments projects growth throughout the District. Furthermore, the extensive and on-going growth and infrastructure change that is occurring in Anacostia demonstrates that the area is in a stage of growth and revitalization. Population, households, and income are anticipated to grow in Anacostia as well as the District as a whole. The demographics of Anacostia and Washington, DC should support the demand for the subject.

Vesta's key staff members

Vesta's key staff members work on a collaborative basis. One person is designated as the Project manager for each project under development and the others are called upon either when their particular expertise is needed or to review and brainstorm about particular issues. The project manager for this project is Arthur Greenblatt.

The following is a list of Vesta's key staff members:

Steven L. Erie, Managing Director and Principal*. Mr. Erie is best known for his corporate management skills. In addition to his involvement in new business transactions, he oversees company operations, including the development and implementation of annual plans, both for Vesta and the properties in its portfolio.

Mr. Erie was previously Vice President, Corporate Planning and Management with Covenant Mutual Insurance Company; and prior to that position, he was a Systems Analyst for Amtrak. He has an M.B.A. from the University of Connecticut, M.S. from Rensselaer Polytechnic Institute and B.A. from Concordia College. Mr. Erie is a member of the Board of Directors of the National Housing & Rehabilitation Association, the leading national trade association for government assisted rental housing.

Arthur N. K. Greenblatt, Managing Director and Principal*. Mr. Greenblatt's creative vision provides the perfect complement to Mr. Erie's attention to detail. New business development is Mr. Greenblatt's principal responsibility, one for which his ability to integrate the conflicting interests of various participants is uniquely suited.

Mr. Greenblatt was formerly general counsel of the Connecticut Housing Finance Authority. During his tenure at CHFA, Mr. Greenblatt was instrumental in the creation of its uninsured multifamily mortgage program and was responsible for workouts with troubled projects. Prior to CHFA, Mr. Greenblatt was in private practice with a Hartford law firm specializing in real estate. He has a J.D. from the University of Connecticut School of Law and a B.S. from American International College.

Donna J. Cyr, Vice President, Human Resources. Ms. Cyr joined Vesta in 2008. She is an expert in human resources with nearly 20 years of experience in the field. At Vesta she works closely with all levels of management to integrate hiring strategies with Vesta's overall business goals. Ms. Cyr holds a Bachelors Degree in business administration from Central Connecticut State University.

Joshua Greenblatt, Vice President, Development. Mr. Greenblatt has worked with Vesta since 1998. He has been involved in all facets of the business, ranging from finance and development to property management and construction. He primarily focuses on the development of new projects and refinancing of existing deals. He has an M.B.A from the University of Connecticut and a B.A. from Goucher College.

Margo Kelleher, Vice President, Development. Ms. Kelleher has worked with Messrs. Erie and Greenblatt since 1986, being involved in all aspects of new business development, finance,

and asset management. She handles all aspects of the development process, including feasibility analysis of new projects, arranging debt and equity financing, and development plan implementation. She was formerly Director of Single-family Programs at Connecticut Housing Investment Fund, Inc. She has an A.B. from Dartmouth College.

*Mr. Erie and Mr. Greenblatt have worked together in the affordable housing business since 1981.

James Volpe, CPA, Vice President and Corporate Controller. Mr. Volpe is responsible for all accounting functions at Vesta, both corporate and partnership, including all financial reporting and controls. He supervises a staff of eight people. Mr. Volpe joined Messrs. Erie and Greenblatt in 1990. He was previously with Deloitte & Touche where he was involved in all aspects of audit and tax work for the small business sector. Mr. Volpe has a B.S. in Accounting from Central Connecticut State University.

Maria Lashua, Regional Vice President. Ms. Lashua has worked with Messrs. Erie and Greenblatt since 1992, initially as an on-site property manager and for the last several years as a regional vice president responsible for overseeing several properties in Vesta's portfolio that are under development. In her current role, she coordinates and supervises tenant relocations, construction activities, and lease-up of newly acquired properties. Ms. Lashua has her C3P, MOR, and COS certifications; and is currently a candidate for her CPM designation.

Lewis Brown, Project Manager, Development. Mr. Brown has worked for Vesta Corporation for nearly four years on all aspects of the development process, including feasibility analysis of new projects, development plan implementation, and construction oversight. Prior to joining Vesta, he worked for 3½ years as Assistant Corporation counsel for the City of Boston. His work consisted of litigation and transactional matters with a focus on real estate, contract and construction issues. Prior to joining the City of Boston's Office of the Corporation Counsel, he worked as an associate at the Boston law firm of Atwood & Cherny. Lewis graduated with honors from the University of Michigan and Summa Cum Laude from Suffolk University Law School.

Vesta Management Corporation

Vesta Management Corporation is integral to carrying out Vesta's commitment to providing quality affordable housing. Direct property management provides greater control, and thus greater protection, for residents as well as for lenders and investors in Vesta's projects. As a result of Vesta's sound management practices, its portfolio is performing extremely well. Vesta Management Corporation has never had a mortgage or any other financial default.

Vesta Management's key staff who report directly to Messrs. Erie and Greenblatt include:

Elizabeth A. More, Director of Compliance. Ms. More joined Vesta in 2009. She is responsible for overseeing all property management compliance matters and reports directly to Messrs. Erie and Greenblatt. She holds a Bachelor of Arts in Management from Curry College and has worked in the multifamily industry since 1994. Ms. More has her CPM and RPA designations, holds the C3P in tax credit compliance, and she is a COS (Certified Occupancy Specialist).

Ambry Selmi, Assistant Director of Compliance and Operations. Ms. Selmi joined Vesta in 2005. She is responsible for assisting Vesta's senior management with the overall operations of the management company and all properties in its portfolio. She has worked in multifamily property management since 2000 and held positions with Concord Management and Gatehouse Management. She provides assistance, direction and expertise to ensure compliance with the operational obligations of the properties, with a specialization in the Low Income Housing Tax Credit program and the project-based Section 8 programs. Ms. Selmi is a CPM candidate with IREM and holds other certifications including MORS (Management and Occupancy Review Specialist), COS (Certified Occupancy Specialist) with the National Center for Housing Management, and C3P (Certified Credit Compliance Professional) with Spectrum Enterprises. Ambry attended Florida Metropolitan University in Orlando.

Paul Bearce, Regional Vice President. Mr. Bearce has worked with Messrs. Erie and Greenblatt for more than 10 years. His responsibilities include property operations, marketing, training, staff development, operating budgets, contract administration, capital improvements and compliance. Mr. Bearce has worked in property management since 1982. He previously held management positions with A.J. Lane & Company and Corcoran Management Company. He has a B.S. in Management from Western New England College. He is also an Accredited Resident Manager, holds a C3P certification from Spectrum Enterprises. He is a candidate for the CPM designation.

Tracy Schweitzer, Regional Manager. Ms. Schweitzer has worked with Messrs. Erie and Greenblatt since 1989. Ms. Schweitzer began as the bookkeeper at Countryside Village in Seabrook, NJ. In 1993, she became the property manager at Countryside Village. Since that time, Ms. Schweitzer has become a Regional Manager with Vesta, overseeing both Countryside Village and Liberty Park in Camden, NJ. She oversees all of the various day to day activities for both properties including full time management of Countryside Village. Ms. Schweitzer holds her COS through Spectrum Enterprises.

Mike Oakes, Senior Maintenance Supervisor. Mr. Oakes has worked with Messrs. Erie and Greenblatt since 1995. He has 30 years of experience in property maintenance, management, and construction. Mr. Oakes is responsible for ensuring that property maintenance personnel across the portfolio are performing in accordance with the needs of their respective properties. He is also used on an as-needed basis to assist a property with its particular physical plant needs.