CDT - Background

- CDT is the first and largest real estate investment trust (REIT) providing capital for affordable housing. Working with local and national partners, CDT makes long term equity investments and originates and purchases long-term mortgages that support the development and preservation of affordable housing.

- As a private, mission-driven REIT, CDT has demonstrated the ability to preserve and expand the supply of affordable housing while also earning attractive returns for shareholders.

- In line with CDT’s mission, all investments satisfy Community Reinvestment Act (CRA) requirements.
CDT is…

- CDT is the first REIT created to provide capital for affordable housing.

Preserves and increases the stock of affordable housing

**DEBT Investments**
- Permanent fixed-rate mortgages

**EQUITY Investments**
- Long term equity investments
Assets Under Management (as of September 30, 2012)

$700,000,000 Under Management

<table>
<thead>
<tr>
<th>Equity Investments</th>
<th>Debt Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>$320,000,000</td>
<td>$380,000,000</td>
</tr>
</tbody>
</table>

- More than 5,000 units
- 8.4% Cash on Cash Return
- 4.3% Physical Vacancy
- More than 17,300 units
- 1.43 Weighted Avg. DCR
- 4.0% Physical Vacancy

1 Cash on Cash Return is 2011 Equity distributions divided by Total CDT Invested Capital
Proven Results

Double Bottom line

- Provide debt and equity for affordable housing
- Seek competitive return for stockholders

Results as of December 2012
Since Inception (1999)

- Paid total dividends of over $47 million
- Produced an average annual total return of approximately 8.5% to common shareholders\(^1\)
- Preserved affordability for nearly 32,500 units
- Acquired more than $875 million in gross assets in 42 states and regions.

\(^1\) Total return includes dividends and stock appreciation
Debt Business

- CDT’s Debt Portfolio has grown to $380 million and 17,300 units.

- Origination Focus:
  - Immediate funding transactions (CDT is an approved Fannie Mae Affordable Lender)
  - Forward commitments on LIHTC transactions
  - Portfolio acquisitions from community lenders, including banks, consortia and CDFI’s

- Strong track record - CDT has never experienced a loss on a LIHTC loan.

- CDT has relationships with a wide network of industry players, including developers, banks, CDFI’s, housing finance agencies, and affordable housing operators throughout the country.
Debt Business

- CDT is a national lender and portfolio purchaser supporting the permanent lending needs of affordable housing communities.
- Our primary focus is smaller balance loans, often in the $1 to $3 million range. Originate and purchase loans outside that range as well.
- Finance affordable multifamily projects, including newly constructed and seasoned LIHTC properties, Section 8 communities and other preservation transactions – both refinance and acquisitions.
- CDT often finances projects in underserved communities.
Debt Business Key Terms

<table>
<thead>
<tr>
<th>Loan Size Range:</th>
<th>$500,000 to $5 million (larger loans available)</th>
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</thead>
<tbody>
<tr>
<td>Average Size Request:</td>
<td>$1.5 million</td>
</tr>
<tr>
<td>Term/Amortization:</td>
<td>From 7/30 to 30/30</td>
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<tr>
<td>Forwards:</td>
<td>Fixed rate up to 30 months</td>
</tr>
<tr>
<td>Fees:</td>
<td>1% commitment fee, plus application fee and third party costs</td>
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<tr>
<td>Lending Area:</td>
<td>National</td>
</tr>
<tr>
<td>DCR/LTV/Stabilization:</td>
<td>Fannie Mae standards for affordable transactions</td>
</tr>
<tr>
<td>Documentation:</td>
<td>Fannie Mae standards</td>
</tr>
</tbody>
</table>
Equity Business

- CDT owns nearly 5,000 affordable units throughout the country.
- CDT’s objective is to invest capital to preserve long-term affordability and generate cash flow.
- Investment Focus:
  - Properties with Section 8 project-based contracts.
  - LIHTC properties nearing the end of their initial compliance period.
- CDT is very selective – we acquire 3 to 5 properties per year.
- CDT’s general partners have proven experience in owning affordable properties.
Equity Business

- CDT forms joint venture relationships with leading operating partners throughout the country.
- Partners includes non-profit and preservation-minded for-profit affordable housing owners.
- CDT is typically a 80-90% Limited Partner.
- Focus on projected annual cash flow upon stabilization.

Example

- Total Acquisition Cost: $10,000,000
- New 1st Mortgage: $8,000,000
- CDT Equity (80%): $1,600,000
- Partner Equity (20%): $400,000
Current Investors

- Allstate Insurance
- Bank of America
- California Bank & Trust
- Citicorp
- Deutsche Bank
- Fannie Mae
- HSBC Bank USA
- JPMorgan Chase
- Key Community Development
- LISC
- Metropolitan Life Insurance
- NCB Development
- Prudential Insurance
- The Reinvestment Fund
- Wells Fargo