Davidson County DEEDWARR
Recvd: 08/21/06 10:34 5 pgs
Fees:28.00 Taxes:6956.00
20060821-0102714

THIS DOCUMENT PREPARED BY AND
~~AFTER RECORDING RETURN TO:~~
Nicole R. Ament, Esquire
Brownstein Hyatt & Farber, P.C.
410 Seventeenth Street, Suite 2200
Denver, Colorado 80202
Telephone: (303) 223-1100

After Recording Return to:
Lenders First Choice
Recording Department
3803 Parkwood Blvd ste 100
Frisco, TX 75034
866-775-3377

Current Property Owner: ARC III, L.L.C.

Property Owner subsequent
to recordation of this Deed: ARCML06 LLC

Tax Parcel Numbers: 71-11-2; 71-11-296; 71-11-273
71-782039

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED, effective as of the 11th day of July, 2006,

BETWEEN:

ARC III, L.L.C., a Delaware limited liability company, having an office at 7887 East Belleview Avenue, Suite 200, Englewood, Colorado 80111, c/o Affordable Residential Communities, Attention: Scott L. Gesell, hereinafter referred to as Grantor;

AND

ARCML06 LLC, a Delaware limited liability company, having an office at 7887 East Belleview Avenue, Suite 200, Englewood, Colorado 80111, c/o Affordable Residential Communities, Attention: Scott L. Gesell, hereinafter referred to as Grantee.

WITNESSETH:

That the Grantor in consideration of Ten ($10.00) Dollars, lawful money of the United States, and other good and valuable consideration, paid by the Grantee, does hereby grant and release and convey unto the Grantee, the heirs or successors and assigns of the Grantee forever,

ALL THAT CERTAIN plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the City of Nashville, County of Davidson, State of Tennessee, having an address at 1508 Dickerson Park, Nashville, Tennessee 37207, and more particularly described on Exhibit A annexed hereto and made a part hereof, being the same property conveyed to ARC III, L.L.C., by deed from N'Tandem Properties, L.P., of record at Reception Number 20040224-0020911, Register's Office for Davidson County, Tennessee;

SUBJECT to all easements, covenants, restrictions and other matters of record affecting the above described premises.

TOGETHER with all right, title and interest, if any, of the Grantor in and to any streets and roads abutting the described premises to the center lines thereof;

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to said premises;

TO HAVE AND TO HOLD the premises herein granted unto the Grantee, the heirs or successors and assigns of the Grantee forever. The Grantor will warrant and forever defend the right and title to the above described property unto Grantee against the lawful claims of all persons owning, holding or claiming by, through or under Grantor, other than and subject to claims arising from or under easements, covenants, restrictions and other matters of record.

IN WITNESS WHEREOF, the Grantors have executed this instrument on the date set forth in the acknowledgment below but to be effective for all purposes as of the date first above written.

ARC III, L.L.C.,
a Delaware limited liability company

By: _____
Name: Scott L. Gesell, Manager

WITNESSES:

Print Name: Liz Gauthier
Liz Gauthier

Print Name: Michele L. Cope
Michele L. Cope

STATE OF COLORADO

COUNTY OF DENVER

Before me, a Notary Public in and for this State, on this 11th day of July, 2006, personally appeared Scott L. Gesell, to me known (or proved to me on the basis of satisfactory evidence), to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its Manager and acknowledged to me that in that capacity he executed the same as the free and voluntary act and deed of ARC III, L.L.C., a Delaware limited liability company, for the uses and purposes therein set forth.

My Commission Expires: 11/18/06

Linda N. Block
Print Name of Notary Public: Linda N. Block
Notary Public for the State of Colorado

(AFFIX SEAL OR STAMP)

LINDA N. BLOCK NOTARY PUBLIC STATE OF COLORADO
My Commission Expires Nov. 18, 2006

SEND TAX BILLS TO:

Grantee
c/o Affordable Residential Communities
7887 East Belleview Avenue, Suite 200
Englewood, Colorado 80203
Attention: Scott L. Gesell

Shady Hills, TN
7916\29\988461.1

AFFIDAVIT OF VALUE

I, or we, hereby swear or affirm that to the best of affiant's knowledge, information and belief, the actual consideration for this transfer or value of the property transferred, whichever is greater, is $1,880,000.00, which amount is equal to or greater than the amount which the property transferred would command at a fair voluntary sale.

AFFIANT

SUBSCRIBED AND SWORN TO before me this 11th day of July, 2006.

Notary Public

My Commission Expires:

11/18/06

LINDA N. BLOCK NOTARY PUBLIC STATE OF COLORADO
My Commission Expires Nov. 18, 2006

LINDA N. BLOCK NOTARY STATE OF COLORADO
My Commission Expires Nov. 18, 2006

Shady Hills, TN
7916\29\988461.1

Exhibit A

Legal Description

Being a parcel of land situated in Nashville, Davidson County, Tennessee said parcel being more particularly described by metes and bounds according to a survey Dale & Associates, Inc., dated September 23, 1986 (job No. 86218) as follows:

Beginning at a point situated in the Westerly margin of Dikerson Pike said point being the Northeast corner of the Dickerson Road partnership subdivision, as recorded in Plat Book 6250, page 187, said Register's Office.

Thence, leaving said road N 84 deg. 27' 03" W, a distance of 222.39 feet to an iron rod;

Thence, S 05 deg. 48' 23" W, a distance of 33.83 feet to an iron rod;

Thence, N 83 deg. 53' 22" W, a distance of 50.03 feet to an iron rod;

Thence, S 03 deg. 17' 33" W, a distance of 180.88 feet to an iron rod situated in the Northerly line of the Metropolitan Government Shwab School Property;

Thence, along said line N 83 deg. 48' 41" W, a distance of 1,073.64 feet to an iron rod;

Thence, leaving said line N 08 deg. 14' 06" W, a distance of 460.85 feet to an iron rod;

Thence, N 44 deg. 51' 46" E, a distance of 492.99 feet to an iron rod;

Thence, S 84 deg. 28' 17" E, a distance of 814.49 feet to an iron rod;

Thence, S 86 deg. 48' 18" E, a distance of 357.41 feet to an iron rod situated in the Westerly margin of Dickerson Pike;

Thence, with said margin of Dickerson Pike S 08 deg. 39' 16" W, a distance of 635.94 feet to a spike in the asphalt;

Thence, around a curve to the right having a central angle of 00 deg. 08' 25" having a radius of 2,819.00 feet a total distance of 6.91 feet to the Point of Beginning and containing 24.89 acres of land, more or less.

BEING the same property conveyed to Windsor Park Properties 3, a California limited partnership, by Deed of Record in Book 6995, page 501, Register's Office for Davidson County, Tennessee.

Shady Hills
Nashville, TN

BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A tract of land containing 24.82 acres situated in Nashville, Davidson County, Tennessee said parcel being
more particularly described as follows:

Beginning at a nail situated in the west right-of-way margin of Dikerson Pike, said point being the Northeast Corner of the Dickerson Road Partnership Subdivision, as recorded in Plat Book 6250, Page 187, the Register's Office of Davidson County, Tennessee, said point also being the TRUE POINT OF BEGINNING; thence run N 84°27'03" W along the north boundary line of said Subdivision for a distance of 222.39 feet to an existing iron rod; thence run S 05°48'23" W along the west boundary line of said Subdivision for a distance of 33.83 feet to an iron pin set; thence run N 83°53'22" W along the north boundary line of said Subdivision for a distance of 50.03 feet to an iron pin set; thence run S 03°17'33" W along the west boundary line of said Subdivision for a distance of 184.60 feet to an existing nail in concrete on the Southwest Corner of said Subdivision, said point also being on the north boundary line of the Metropolitan Government Shwab School Property; thence run N 84°41'57" W along said north boundary line for a distance of 1,064.19 feet to an iron pin set; thence run N 08°34'44" W for a distance of 460.85 feet to an existing iron rod; thence run N 44°05'56" E for a distance of 492.99 feet to an existing metal fence post; thence run S 85°18'19" E for a distance of 814.49 feet to an iron pin set; thence run S 87°38'16" E for a distance of 357.41 feet to an iron pin set on the west right-of-way margin of Dickerson Pike; thence run S 08°22'43" W along said west right-of-way margin for a distance of 635.94 feet to a nail set in asphalt on the P.C. of a curve to the right having a radius of 2819.00 feet; thence continue along said west right-of-way margin, along said curve to the right a chord bearing of S 10°21'41" W a chord distance of 6.91 feet to a point and back to the TRUE POINT OF BEGINNING.

NOTE: The above surveyor's legal was based upon existing monumentation located on site, the platted information on the Dickerson Road Partnership Subdivision, Plat Book 6250, Page 187, Register's Office of Davidson County, Tennessee and improvements shown on the Dale and Associates, Inc. Survey dated September 23, 1986. Existing evidence and improvements do not agree with the bearings and distances shown on the Dale & Associates, Inc. survey. The above survey and legal description properly describes existing monumentation and shows their relationship to improvements.

Being the same property conveyed to Grantor by deed of record as Instrument Number * _____ (or in Book _____, Page _____) in the Register's Office of Davidson County, Tennessee. * 20040224-0020911