

New Student Housing Project

Project Assumptions

Property Information

Property Name	New Student Housing Project
Location	
Property Use	Student Housing
Total Beds	301
Analysis Year Begin	January 2023
Annual Inflation Rate	3.0%

Acquisition Assumptions

Project Type		New Construction
Land Cost		\$6,000,000
Hard Costs		\$12,000,000
Soft Costs		\$2,000,000
Development Cost		\$20,000,000
Due Diligence/Closing Costs	0.00%	\$0
Initial Deposits to Reserve Accounts		
Operating Reserve Account		\$300,000
Cap Ex Reserve Account		\$0
Replacement Reserves Account		\$0
Unleveraged Development Cost		\$20,300,000
Initial Loan Origination Fee	0.00%	\$0
Leveraged Development Cost		\$20,300,000

Initial Capital Structure

Debt: (LTC)	65.0%	\$13,195,000
Equity		\$7,105,000
Total		\$20,300,000

Desired Equity Return (Discount Rate)		10.0%
Developer	10.0%	\$710,500
JV Partner	90.0%	\$6,394,500
Total Equity	100.0%	\$7,105,000

Please refer to the Equity Investor Returns worksheet for waterfall information.

Tax Assumptions

Ordinary Income Marginal Tax Rate	0.0%
Capital Gains Tax Rate	0.0%
Cost Recovery Recapture Tax Rate	0.0%

Cost Recovery Assumptions

Assessed Value of Land	30%
Assessed Value of Improvements	70%
Cost Recovery Method	Straight Line
Useful Life	27.5
C.R. 1st & Last Years (11.5 months)	3.485%
C.R. Interim Years (12 Months)	3.636%

Debt Structure Assumptions

Development Loan

Will there be an Interest Only Period?	Yes
Loan Amount	\$13,195,000
Interest Expense	Included in Budget
Interest Amount Included in Budget	\$450,000
Term (Months)	24
Rate	4.50%
Origination Fee	0.00%
Funding Status	Fund Up
Fully Funded by Month:	18
Action at Maturity:	Amortize Loan Balance

Amortizing Debt Service

Amortization Type	American
Amortizing Loan Amount	\$13,195,000
Term (Months)	120
Amortization (Months)	360
Start Rate	6.00%
Origination Fee	0.00%
Initial Interest Only Period	No
Exit Fee	1.00%
Rate Type	Fixed

Sale Assumptions

Year of Sale	10
Terminal Value Calculation Method	Cap Rate
Cost of Sale	0.5%
Exit Cap Rate	6.50%

New Student Housing Project

Unit Mix

Unit Type	Units	Beds	Baths	Total Beds	%	Unit SF	Total SF	Monthly Bed Rental Rate	\$ PSF	Total Monthly Rent
A1	8	1	1	8	3%	553	4,424	\$849	\$1.54	\$6,792
A2	3	1	1	3	1%	602	1,806	\$879	\$1.46	\$2,637
B1	6	2	2	12	4%	928	5,568	\$729	\$0.79	\$8,748
B2	8	2	2	16	5%	1,047	8,376	\$759	\$0.72	\$12,144
B3	2	2	2	4	1%	1,043	2,086	\$599	\$0.57	\$2,396
B4	3	2	2	6	2%	1,147	3,441	\$619	\$0.54	\$3,714
C1	18	3	3	54	18%	1,232	22,176	\$679	\$0.55	\$36,666
D1	13	4	4	52	17%	1,475	19,175	\$639	\$0.43	\$33,228
D2	4	5	5	20	7%	1,575	6,300	\$599	\$0.38	\$11,980
F1	16	5	5	80	27%	1,843	29,488	\$629	\$0.34	\$50,320
F2	2	5	5	10	3%	1,765	3,530	\$619	\$0.35	\$6,190
G1	4	6	6	24	8%	1,970	7,880	\$559	\$0.28	\$13,416
G2	2	6	6	12	4%	1,885	3,770	\$559	\$0.30	\$6,708
Total				301	100%	1,511	118,020	\$648	\$1.65	\$194,939

Lease-Up Schedule

Total Beds	301
Beginning Occupancy	0%
Stabilized Occupancy	95%
Stabilized Beds	286
Begin Occupying in Month	13
Units Pre-Leased	50
Units Leased per Month	50

*Project leases in 5 months.
Stabilization is achieved in month 17.*

Annual Summary

Period	Dates	Leased Beds (BOY)	Leased in Period	Leased Beds (EOY)	Average Occupancy	Average Vacancy
1	Jan 23 - Dec 23	0	0	0	0%	100%
2	Jan 24 - Dec 24	0	286	286	83%	17%
3	Jan 25 - Dec 25	286	0	286	95%	5%
4	Jan 26 - Dec 26	286	0	286	95%	5%
5	Jan 27 - Dec 27	286	0	286	95%	5%
6	Jan 28 - Dec 28	286	0	286	95%	5%
7	Jan 29 - Dec 29	286	0	286	95%	5%
8	Jan 30 - Dec 30	286	0	286	95%	5%
9	Jan 31 - Dec 31	286	0	286	95%	5%
10	Jan 32 - Dec 32	286	0	286	95%	5%



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Schedule of Prospective Cash Flows

Period	Inflation											
	1	2	3	4	5	6	7	8	9	10	11	
	Jan 23 - Dec 23	Jan 24 - Dec 24	Jan 25 - Dec 25	Jan 26 - Dec 26	Jan 27 - Dec 27	Jan 28 - Dec 28	Jan 29 - Dec 29	Jan 30 - Dec 30	Jan 31 - Dec 31	Jan 32 - Dec 32	Jan 33 - Dec 33	
Operating Income	Inflation	3.0%										
Base Rental Revenue		2,339,268	2,409,446	2,481,729	2,556,181	2,632,867	2,711,853	2,793,208	2,877,005	2,963,315	3,052,214	3,143,781
Other Potential Gross Revenue												
Less: Concessions		0	0	0	0	0	0	0	0	0	0	0
Application Fees		16,120	16,604	17,102	17,615	18,143	18,687	19,248	19,826	20,420	21,033	21,664
Laundry Income		96,970	99,879	102,875	105,962	109,141	112,415	115,787	119,261	122,839	126,524	130,320
Miscellaneous (1)		61,620	63,469	65,373	67,334	69,354	71,434	73,578	75,785	78,058	80,400	82,812
Miscellaneous (2)		0	0	0	0	0	0	0	0	0	0	0
Total Other Potential Gross Revenue		174,710	179,951	185,350	190,910	196,638	202,537	208,613	214,871	221,317	227,957	234,796
Total Potential Gross Revenue		2,513,978	2,589,397	2,667,079	2,747,092	2,829,504	2,914,390	3,001,821	3,091,876	3,184,632	3,280,171	3,378,576
General Vacancy Rate		100.0%	17.3%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Vacancy & Collection Loss		(2,513,978)	(447,338)	(132,911)	(136,898)	(141,005)	(145,235)	(149,592)	(154,080)	(158,703)	(163,464)	(168,368)
Other Income												
Miscellaneous (3)		0	0	0	0	0	0	0	0	0	0	0
Miscellaneous (4)		0	0	0	0	0	0	0	0	0	0	0
Miscellaneous (5)		0	0	0	0	0	0	0	0	0	0	0
Total Other Income		0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income		0	2,142,060	2,534,168	2,610,193	2,688,499	2,769,154	2,852,229	2,937,796	3,025,930	3,116,707	3,210,209
Operating Expenses	Inflation	3.0%										
Property Management Fee	3.0%	0	64,262	76,025	78,306	80,655	83,075	85,567	88,134	90,778	93,501	96,306
Ad Valorem Taxes		125,000	500,000	515,000	530,450	546,364	562,754	579,637	597,026	614,937	633,385	652,387
Insurance		25,000	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677	130,477
Utilities		18,750	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858
Repairs & Maintenance		12,500	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239
Cleaning & Garbage Removal		8,750	35,000	36,050	37,132	38,245	39,393	40,575	41,792	43,046	44,337	45,667
Contract Services		5,000	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095
General & Administrative		12,500	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239
Turnover		18,750	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858
Marketing		30,000	120,000	123,600	127,308	131,127	135,061	139,113	143,286	147,585	152,012	156,573
Payroll		30,000	120,000	123,600	127,308	131,127	135,061	139,113	143,286	147,585	152,012	156,573
Other		0	0	0	0	0	0	0	0	0	0	0
Miscellaneous (1)		0	0	0	0	0	0	0	0	0	0	0
Miscellaneous (2)		0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses		286,250	1,209,262	1,255,375	1,293,036	1,331,827	1,371,782	1,412,936	1,455,324	1,498,983	1,543,953	1,590,272
NOI Before Reserves		(286,250)	932,798	1,278,793	1,317,157	1,356,672	1,397,372	1,439,293	1,482,472	1,526,946	1,572,754	1,619,937
Annual Reserves Contributions												
Operating Reserve Account		0	0	0	0	0	0	0	0	0	0	0
Cap Ex Reserve Account		0	0	0	0	0	0	0	0	0	0	0
Replacement Reserves Account		0	0	0	0	0	0	0	0	0	0	0
Total Reserves		0	0	0	0	0	0	0	0	0	0	0
Net Operating Income		(286,250)	932,798	1,278,793	1,317,157	1,356,672	1,397,372	1,439,293	1,482,472	1,526,946	1,572,754	1,619,937



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Schedule of Prospective Cash Flows

Period	1	2	3	4	5	6	7	8	9	10
	Jan 23 - Dec 23	Jan 24 - Dec 24	Jan 25 - Dec 25	Jan 26 - Dec 26	Jan 27 - Dec 27	Jan 28 - Dec 28	Jan 29 - Dec 29	Jan 30 - Dec 30	Jan 31 - Dec 31	Jan 32 - Dec 32
Net Operating Income	(286,250)	932,798	1,278,793	1,317,157	1,356,672	1,397,372	1,439,293	1,482,472	1,526,946	1,572,754
Debt Service										
Interest	214,419	552,541	787,292	777,298	766,688	755,423	743,463	730,766	717,285	702,973
Principal	0	0	162,036	172,030	182,641	193,905	205,865	218,562	232,043	246,355
Less: Interest in Development Budget	(214,419)	(235,581)	0	0	0	0	0	0	0	0
Total Debt Service	0	316,959	949,328	949,328	949,328	949,328	949,328	949,328	949,328	949,328
Refinance Proceeds	0	0	0	0	0	0	0	0	0	0
Less: Mortgage Origination Fee	0	0	0	0	0	0	0	0	0	0
Cash Flow After Debt Service	(286,250)	615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	623,426
Reserve Account Expenses										
Capital Expenditures	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Expenses	0	0	0	0	0	0	0	0	0	0
Total Capital Expenses	0	0	0	0	0	0	0	0	0	0
Expenses Paid from Reserves										
Less: Cap Ex Paid from Reserves	0	0	0	0	0	0	0	0	0	0
Less: User Defined Paid from Reserves	0	0	0	0	0	0	0	0	0	0
Net Capital Expenses	0	0	0	0	0	0	0	0	0	0
Other Non-Regular Income										
Other Non-Regular Income	0	0	0	0	0	0	0	0	0	0
Other Non-Regular Expenses	0	0	0	0	0	0	0	0	0	0
Operating Deficit Reserve Draw	286,250	0	0	0	0	0	0	0	0	0
Return of Reserve Funds	0	0	0	0	0	0	0	0	0	13,750
Total Non-Regular Income	286,250	0	0	0	0	0	0	0	0	13,750
Cash Flow Before Taxes	0	615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	637,176

*Does not include Capital Expenses as they are often subject to separate tax treatment.

This pro forma does not constitute tax advice. Please consult a professional tax advisor.

Reserve Account Balances

Period	1	2	3	4	5	6	7	8	9	10
	Jan 23 - Dec 23	Jan 24 - Dec 24	Jan 25 - Dec 25	Jan 26 - Dec 26	Jan 27 - Dec 27	Jan 28 - Dec 28	Jan 29 - Dec 29	Jan 30 - Dec 30	Jan 31 - Dec 31	Jan 32 - Dec 32
Operating Reserve Account										
Beginning Balance	300,000	13,750	13,750	13,750	13,750	13,750	13,750	13,750	13,750	13,750
Contributions	0	0	0	0	0	0	0	0	0	0
Expenses Paid	(286,250)	0	0	0	0	0	0	0	0	0
Taxes Paid	0	0	0	0	0	0	0	0	0	0
Withdrawal	0	0	0	0	0	0	0	0	0	0
Ending Balance	13,750	13,750	13,750	13,750	13,750	13,750	13,750	13,750	13,750	13,750
Cap Ex Reserve Account										
Beginning Balance	0	0	0	0	0	0	0	0	0	0
Contributions	0	0	0	0	0	0	0	0	0	0
Expenses Paid	0	0	0	0	0	0	0	0	0	0
Withdrawal	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0	0	0	0
Replacement Reserves Account										
Beginning Balance	0	0	0	0	0	0	0	0	0	0
Contributions	0	0	0	0	0	0	0	0	0	0
Expenses Paid	0	0	0	0	0	0	0	0	0	0
Withdrawal	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0	0	0	0
Total Reserve Balances	13,750	13,750	13,750	13,750	13,750	13,750	13,750	13,750	13,750	13,750



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Project Return Summary

Summary

Units	301
Development Costs	\$20,000,000
Other Costs	\$0
Equity	\$7,105,000
Debt	\$13,195,000
LTC	65%

Sale Analysis

Development Cost	\$20,000,000
Per Bed	\$66,445
Sale Price	\$24,922,109
Per Bed	\$82,798
Appreciation	24.6%
Avg. App/Year	2.5%

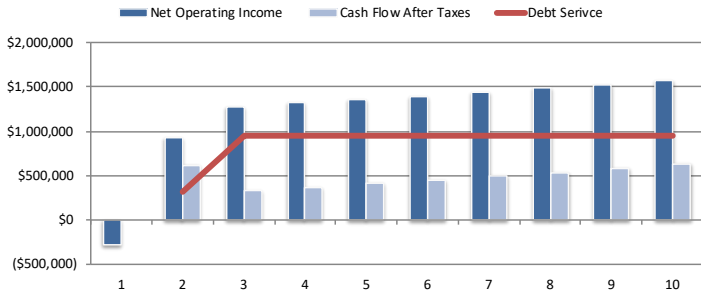
Cash Flows

	Before Tax	After Tax
Operating Cash Flows	\$4,406,422	\$4,406,422
Net Sale Proceeds	\$13,100,121	\$13,100,121
Total Cash Flow	\$17,506,542	\$17,506,542
Profit	\$10,401,542	\$10,401,542
Equity Multiple	1.46x	1.46x

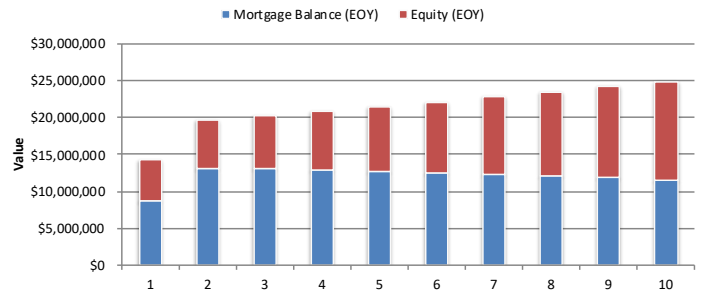
IRR & Present Value

Unleveraged IRR	7.3%
Unleveraged PV at 10%	\$16,510,000
Leveraged IRR	10.8%
Leveraged PV at 10%	\$20,750,000
After Tax IRR (Leveraged)	10.8%
After Tax PV at 10%	\$20,750,000

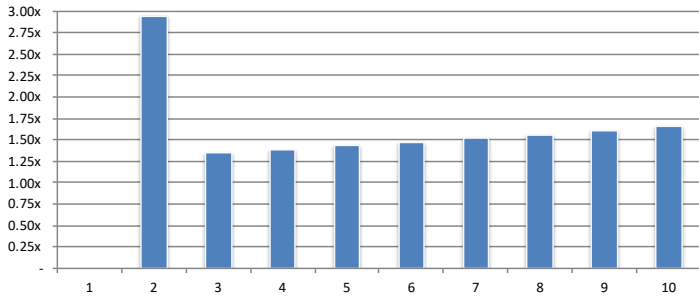
Annual Income Projections



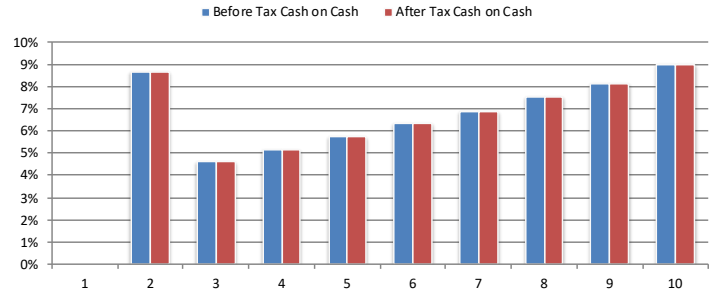
Debt vs. Equity



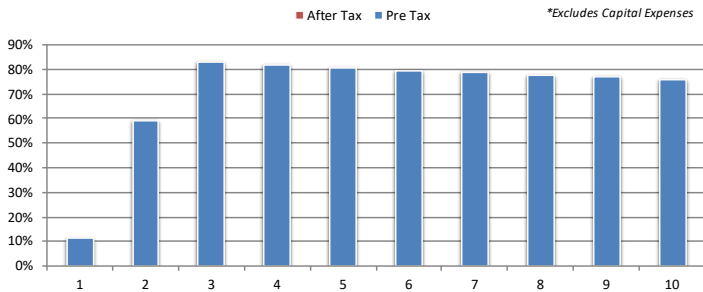
Debt Service Coverage Ratio



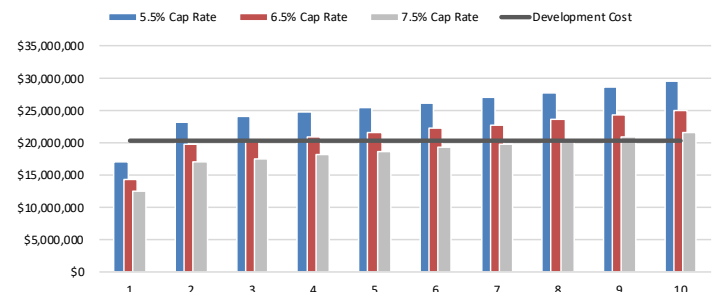
Annual Cash on Cash Return



Break Even Occupancy



Value Sensitivity



Summary & Ratios

	1	2	3	4	5	6	7	8	9	10
	Jan 23 - Dec 23	Jan 24 - Dec 24	Jan 25 - Dec 25	Jan 26 - Dec 26	Jan 27 - Dec 27	Jan 28 - Dec 28	Jan 29 - Dec 29	Jan 30 - Dec 30	Jan 31 - Dec 31	Jan 32 - Dec 32
Operating Summary										
Effective Gross Income		2,142,060	2,534,168	2,610,193	2,688,499	2,769,154	2,852,229	2,937,796	3,025,930	3,116,707
Operating Expenses	(286,250)	(1,209,262)	(1,255,375)	(1,293,036)	(1,331,827)	(1,371,782)	(1,412,936)	(1,455,324)	(1,498,983)	(1,543,953)
Operating Reserves										
Net Operating Income	(286,250)	932,798	1,278,793	1,317,157	1,356,672	1,397,372	1,439,293	1,482,472	1,526,946	1,572,754
Less: Debt Service		(316,959)	(949,328)	(949,328)	(949,328)	(949,328)	(949,328)	(949,328)	(949,328)	(949,328)
Less: Fees										
Refinance Proceeds										
Cash Flow After Debt Service	(286,250)	615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	623,426
Capital Expenses										
Other Non-Regular Income	286,250									13,750
Sale Price Based on 6.5% Exit Cap Rate										24,922,109
Less: Mortgage Balance										(11,581,562)
Less: Cost of Sale										(240,426)
Cash Flow Before Taxes		615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	13,737,297
Less: Taxes										
Cash Flow After Taxes		615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	13,737,297

Value Summary

Cap Rate Based on Development Cost	-1.41%	4.60%	6.30%	6.49%	6.68%	6.88%	7.09%	7.30%	7.52%	7.75%
Value Based on 6.5% Exit Cap Rate	14,350,735	19,673,743	20,263,955	20,871,874	21,498,030	22,142,971	22,807,260	23,491,478	24,196,222	24,922,109
Mortgage Balance (EOY)	8,796,667	13,195,000	13,032,964	12,860,934	12,678,293	12,484,388	12,278,522	12,059,960	11,827,917	11,581,562
Equity (EOY)	5,554,069	6,478,743	7,230,991	8,010,940	8,819,737	9,658,583	10,528,738	11,431,518	12,368,305	13,340,547

Operating Ratios

Net Income Multiplier*	(70.92)	21.76	15.87	15.41	14.96	14.53	14.10	13.69	13.29	12.91
Operating Expense Ratio	-	56%	50%	50%	50%	50%	50%	50%	50%	50%
Cash on Cash Return (Pre Tax)	0.0%	8.7%	4.6%	5.2%	5.7%	6.3%	6.9%	7.5%	8.1%	9.0%
Cash on Cash Return (Post Tax)	0.0%	8.7%	4.6%	5.2%	5.7%	6.3%	6.9%	7.5%	8.1%	9.0%

*Based on Development Cost

Lender Ratios

Loan to Value Ratio	61%	67%	64%	62%	59%	56%	54%	51%	49%	46%
Debt to Equity Ratio	1.58	2.04	1.80	1.61	1.44	1.29	1.17	1.05	0.96	0.87
Debt Service Coverage Ratio	-	2.94x	1.35x	1.39x	1.43x	1.47x	1.52x	1.56x	1.61x	1.66x
Break Even Occupancy (Pre Tax)	11%	59%	83%	82%	81%	80%	79%	78%	77%	76%
Break Even Occupancy (Post Tax)	11%	59%	83%	82%	81%	80%	79%	78%	77%	76%
Debt Yield	-3.3%	7.1%	9.8%	10.2%	10.7%	11.2%	11.7%	12.3%	12.9%	13.6%

Performance Summary over 10 Years

	Pre Tax	Post Tax
Initial Equity	(7,105,000)	(7,105,000)
Operating Cash Flows	4,406,422	4,406,422
Net Reversion Proceeds	13,100,121	13,100,121
Net Cash Flow	10,401,542	10,401,542
Net Present Value at 10%	449,992	449,992
Leveraged IRR	10.8%	10.8%



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Project Return Details

Unlevered Returns

	1	2	3	4	5	6	7	8	9	10
Net Operating Income	(286,250)	932,798	1,278,793	1,317,157	1,356,672	1,397,372	1,439,293	1,482,472	1,526,946	1,572,754
Less: Capital Expenses	-	-	-	-	-	-	-	-	-	-
Non-Regular Income	286,250	-	-	-	-	-	-	-	-	13,750
Operating Cash Flow	-	932,798	1,278,793	1,317,157	1,356,672	1,397,372	1,439,293	1,482,472	1,526,946	1,586,504
Reversion Cash Flow	-	-	-	-	-	-	-	-	-	24,922,109
Less: Cost of Sale	-	-	-	-	-	-	-	-	-	(124,611)
Net Cash Flow	(20,300,000)	932,798	1,278,793	1,317,157	1,356,672	1,397,372	1,439,293	1,482,472	1,526,946	26,384,003
<i>Cash on Cash Return</i>	0.0%	4.6%	6.3%	6.5%	6.7%	6.9%	7.1%	7.3%	7.5%	7.8%

Net Cash Flow	\$16,815,506
Net Present Value at 10%	(\$3,787,596)
Unleveraged IRR	7.3%
Avg. Operating Cash on Cash	6.1%
Avg. Cash on Cash	18.3%
Unleveraged PV at 10% Rounded (\$10,000's)	\$16,510,000
Per Unit	\$54,850

Levered Cash Flow

	1	2	3	4	5	6	7	8	9	10
Net Operating Income	(286,250)	932,798	1,278,793	1,317,157	1,356,672	1,397,372	1,439,293	1,482,472	1,526,946	1,572,754
Refinance Proceeds	-	-	-	-	-	-	-	-	-	-
Less: Debt Service	-	(316,959)	(949,328)	(949,328)	(949,328)	(949,328)	(949,328)	(949,328)	(949,328)	(949,328)
Less: Mortgage Origination Fee	-	-	-	-	-	-	-	-	-	-
Cash Flow After Debt Service	(286,250)	615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	623,426
Less: Capital Expenses	-	-	-	-	-	-	-	-	-	-
Non-Regular Income	286,250	-	-	-	-	-	-	-	-	13,750
Distributable Cash Flow	-	615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	637,176
Reversion Cash Flow	-	-	-	-	-	-	-	-	-	24,922,109
Less: Cost of Sale	-	-	-	-	-	-	-	-	-	(124,611)
Less: Mortgage Balance	-	-	-	-	-	-	-	-	-	(11,581,562)
Less: Mortgage Exit Fee	-	-	-	-	-	-	-	-	-	(115,816)
Net Cash Flow	(7,105,000)	615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	13,737,297
<i>Cash on Cash Return</i>	0.0%	8.7%	4.6%	5.2%	5.7%	6.3%	6.9%	7.5%	8.1%	9.0%

Net Leveraged Cash Flow	\$10,401,542
Net Present Value at 10%	\$449,992
Leveraged IRR	10.8%
Avg. Operating Cash on Cash	6.2%
Avg. Cash on Cash	24.6%
Present Value of Cash Flows at 10%	\$7,554,992
Plus: Original Loan Amount	\$13,195,000
Total Leveraged Present Value	\$20,749,992
Rounded (\$10,000's)	\$20,750,000
Per Unit	\$68,937

After Tax Returns

	1	2	3	4	5	6	7	8	9	10
Basis Calculation										
Basis at Acquisition	-	-	-	-	-	-	-	-	-	20,300,000
+ Capital Additions	-	-	-	-	-	-	-	-	-	-
Cost Recovery (Depreciation) Taken	-	-	-	-	-	-	-	-	-	(5,123,842)
Adjusted Basis at Sale	-	-	-	-	-	-	-	-	-	15,176,158

Capital Gain Calculation

Sale Price	-	-	-	-	-	-	-	-	-	24,922,109
Less Cost of Sale	-	-	-	-	-	-	-	-	-	(124,611)
Less Adjusted Basis at Sale	-	-	-	-	-	-	-	-	-	(15,176,158)
Gain (Loss)	-	-	-	-	-	-	-	-	-	9,621,340
Straight Line Cost Recovery (Limited to Gain)	-	-	-	-	-	-	-	-	-	5,123,842
Capital Gain from Appreciation	-	-	-	-	-	-	-	-	-	4,497,498
Unamortized Loan Fees (Costs)	-	-	-	-	-	-	-	-	-	-

Sale Proceeds Calculation

Sale Price	-	-	-	-	-	-	-	-	-	24,922,109
Less Cost of Sale	-	-	-	-	-	-	-	-	-	(124,611)
Less Mortgage Exit Fee	-	-	-	-	-	-	-	-	-	(115,816)
Less Mortgage Balance	-	-	-	-	-	-	-	-	-	(11,581,562)
Sale Proceeds Before Tax	-	-	-	-	-	-	-	-	-	13,100,121
Less Tax on Ordinary Income at 0%	-	-	-	-	-	-	-	-	-	-
Less Tax on Cost Recovery Recapture at 0%	-	-	-	-	-	-	-	-	-	-
Less Tax on Capital Gain at 0%	-	-	-	-	-	-	-	-	-	-
Sale Proceeds After Tax	-	-	-	-	-	-	-	-	-	13,100,121

Proceeds After Taxes

Cash Flow Before Taxes	-	615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	637,176
Less: Annual Operating Tax Liability	-	-	-	-	-	-	-	-	-	-
Draw from Operating Reserve	-	-	-	-	-	-	-	-	-	-
Cash Flow After Taxes	-	615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	637,176
Sale Proceeds After Taxes	-	-	-	-	-	-	-	-	-	13,100,121
Annual Proceeds After Taxes	(7,105,000)	615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	13,737,297
<i>Cash on Cash Return</i>	0.0%	8.7%	4.6%	5.2%	5.7%	6.3%	6.9%	7.5%	8.1%	9.0%

Net Cash Flows	\$10,401,542
Net Present Value at 10%	\$449,992
Effective Tax Rate	0.0%
After Tax Leveraged IRR	10.8%
Avg. Operating Cash on Cash	6.2%
Avg. Cash on Cash	24.6%
Present Value of Cash Flows at 10%	\$7,554,992
Plus: Original Loan Amount	\$13,195,000
Total After Tax Leveraged Present Value	\$20,749,992
Rounded (\$10,000's)	\$20,750,000
Per Unit	\$68,937

Loan Amortization Schedule

Interest Only Loan

Loan Amount	\$13,195,000
Term	24
Rate	4.50%
Funding Status	Fund Up

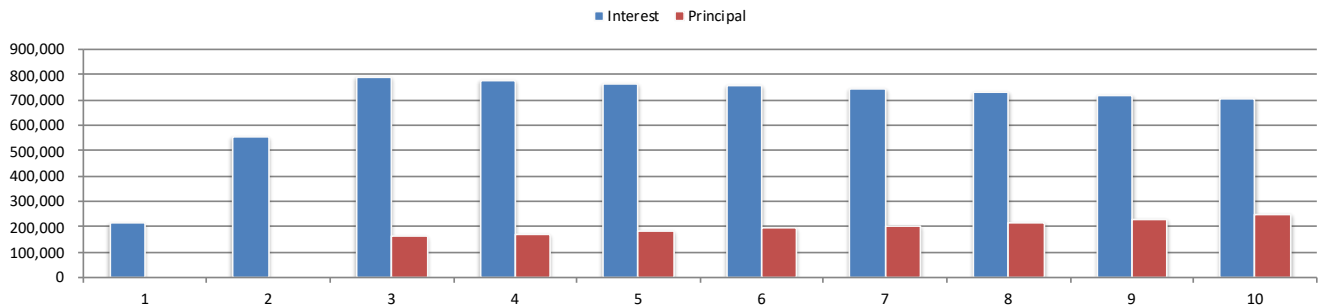
Amortizing Loan

Loan Amount	\$13,195,000
Term	120
Amortization	360
Rate	6.00%
Rate Type	Fixed

Annual Summary

Period	Dates	Loan Type	Effective Rate	Beginning Balance	Interest	Principal	Total Payments	Ending Balance
1	Jan 23 - Dec 23	I/O	4.50%	733,056	214,419	0	214,419	8,796,667
2	Jan 24 - Dec 24	I/O	4.50%	9,529,722	552,541	0	552,541	13,195,000
3	Jan 25 - Dec 25	Amortizing	6.00%	13,195,000	787,292	162,036	949,328	13,032,964
4	Jan 26 - Dec 26	Amortizing	6.00%	13,032,964	777,298	172,030	949,328	12,860,934
5	Jan 27 - Dec 27	Amortizing	6.00%	12,860,934	766,688	182,641	949,328	12,678,293
6	Jan 28 - Dec 28	Amortizing	6.00%	12,678,293	755,423	193,905	949,328	12,484,388
7	Jan 29 - Dec 29	Amortizing	6.00%	12,484,388	743,463	205,865	949,328	12,278,522
8	Jan 30 - Dec 30	Amortizing	6.00%	12,278,522	730,766	218,562	949,328	12,059,960
9	Jan 31 - Dec 31	Amortizing	6.00%	12,059,960	717,285	232,043	949,328	11,827,917
10	Jan 32 - Dec 32	Amortizing	6.00%	11,827,917	702,973	246,355	949,328	11,581,562
Total			5.41%	-	6,748,148	1,613,438	8,361,586	-

Annual Interest vs. Principal

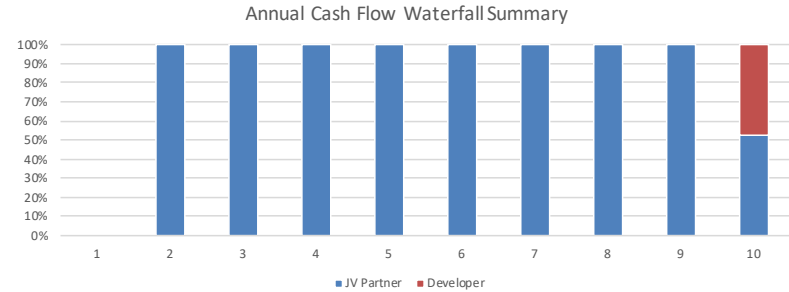


Sources & Uses

Period	-	1	2	3	4	5	6	7	8	9	10	Total
		Jan 23 - Dec 23	Jan 24 - Dec 24	Jan 25 - Dec 25	Jan 26 - Dec 26	Jan 27 - Dec 27	Jan 28 - Dec 28	Jan 29 - Dec 29	Jan 30 - Dec 30	Jan 31 - Dec 31	Jan 32 - Dec 32	
Sources Of Capital												
Debt Proceeds	-	8,796,667	4,398,333	-	-	-	-	-	-	-	-	13,195,000
Refinance Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Equity Contributions	7,105,000	-	-	-	-	-	-	-	-	-	-	7,105,000
Net Operating Income	-	-	932,798	1,278,793	1,317,157	1,356,672	1,397,372	1,439,293	1,482,472	1,526,946	1,572,754	12,304,257
Non-Regular Income	-	286,250	-	-	-	-	-	-	-	-	13,750	300,000
Reserve Draw for Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Gross Proceeds from Sale	-	-	-	-	-	-	-	-	-	-	24,922,109	24,922,109
Total Sources Of Capital	7,105,000	9,082,917	5,331,131	1,278,793	1,317,157	1,356,672	1,397,372	1,439,293	1,482,472	1,526,946	26,508,613	57,826,366
Uses Of Capital												
Development Costs	6,805,000	8,796,667	4,398,333	-	-	-	-	-	-	-	-	20,000,000
Costs and Fees	-	-	-	-	-	-	-	-	-	-	124,611	124,611
Initial Reserve Accounts	300,000	-	-	-	-	-	-	-	-	-	-	300,000
Operating Requirements	-	286,250	-	-	-	-	-	-	-	-	-	286,250
Mortgage Balance	-	-	-	-	-	-	-	-	-	-	11,581,562	11,581,562
Mortgage Exit Fee	-	-	-	-	-	-	-	-	-	-	115,816	115,816
Annual Interest Expense	-	214,419	552,541	787,292	777,298	766,688	755,423	743,463	730,766	717,285	702,973	6,748,148
Less: Budgeted Interest	-	(214,419)	(235,581)	-	-	-	-	-	-	-	-	(450,000)
Annual Principal Paydown	-	-	-	162,036	172,030	182,641	193,905	205,865	218,562	232,043	246,355	1,613,438
Capital Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Operating Tax Liability	-	-	-	-	-	-	-	-	-	-	-	-
Ordinary Income Tax Liability	-	-	-	-	-	-	-	-	-	-	-	-
Cost Recovery Tax Liability	-	-	-	-	-	-	-	-	-	-	-	-
Capital Gains Tax Liability	-	-	-	-	-	-	-	-	-	-	-	-
Operating Reserve Draw for Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Equity Returns	-	-	615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	13,737,297	17,506,542
Total Uses Of Capital	7,105,000	9,082,917	5,331,131	1,278,793	1,317,157	1,356,672	1,397,372	1,439,293	1,482,472	1,526,946	26,508,613	57,826,366

Pre-Tax Equity Investor Returns

Cash Flow Distribution					
	Method	Basis	Rate	JV Partner Split	Developer Split
Initial Equity Contribution				90.0%	10.0%
Preferred Return	Cumulative	Cash on Cash	10.0%	100.0%	0.0%
Hurdle 1		Cash on Cash	12.0%	90.0%	10.0%
Hurdle 2		Cash on Cash	14.0%	80.0%	20.0%
Hurdle 3		Cash on Cash	16.0%	70.0%	30.0%
Final Split				60.0%	40.0%
Reversion (Sale) Proceeds	Independent			50.0%	50.0%



Cash Flow Waterfall Summary

Period	0	1	2	3	4	5	6	7	8	9	10
Pre-Tax Net Cash Flow	(7,105,000)	-	615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	637,176
Pre-Tax Sale Proceeds	-	-	-	-	-	-	-	-	-	-	13,100,121
Total Cash Flow	(7,105,000)	-	615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	13,737,297

JV Partner

Cash Flow Paid at Preferred Return	(6,394,500)	-	615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	637,176
Cash Flow Paid at Hurdle 1	-	-	-	-	-	-	-	-	-	-	-
Cash Flow Paid at Hurdle 2	-	-	-	-	-	-	-	-	-	-	-
Cash Flow Paid at Hurdle 3	-	-	-	-	-	-	-	-	-	-	-
Cash Flow Paid at Final Split	-	-	-	-	-	-	-	-	-	-	-
Cash Flow Paid at Reversion (Sale)	-	-	-	-	-	-	-	-	-	-	6,550,060
Total Cash Flow to JV Partner	(6,394,500)	-	615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	7,187,236
<i>Annual Cash on Cash</i>		0.0%	9.6%	5.2%	5.8%	6.4%	7.0%	7.7%	8.3%	9.0%	11.2.4%

Net Cash Flow	4,561,982
IRR	6.7%
Equity Multiple	1.71x
Average Annual Cash on Cash Return	17.1%

Developer

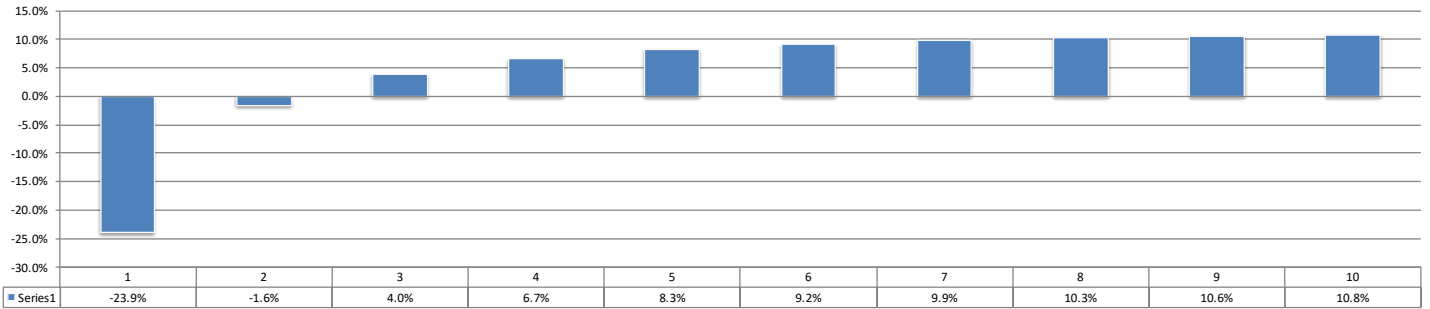
Cash Flow Paid at Preferred Return	(710,500)	-	-	-	-	-	-	-	-	-	-
Cash Flow Paid at Hurdle 1	-	-	-	-	-	-	-	-	-	-	-
Cash Flow Paid at Hurdle 2	-	-	-	-	-	-	-	-	-	-	-
Cash Flow Paid at Hurdle 3	-	-	-	-	-	-	-	-	-	-	-
Cash Flow Paid at Final Split	-	-	-	-	-	-	-	-	-	-	-
Cash Flow Paid at Reversion (Sale)	-	-	-	-	-	-	-	-	-	-	6,550,060
Total Cash Flow to Developer	(710,500)	-	-	-	-	-	-	-	-	-	6,550,060
<i>Annual Cash on Cash</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	92.9%

Net Cash Flow	5,839,560
IRR	24.9%
Equity Multiple	9.22x
Average Annual Cash on Cash Return	92.2%

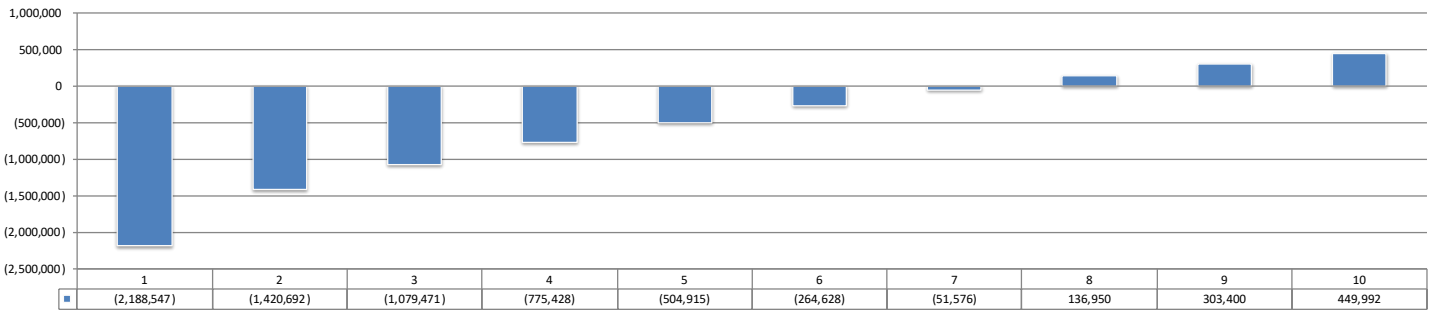
Holding Period Sensitivity Analysis

These charts show the project's performance based on Disposition year. They assume continued financing regardless of term.

IRR Based on Hold Period



NPV Based on Hold Period



Project Level IRR Sensitivity

Period	1	2	3	4	5	6	7	8	9	10	11
NOI (excluding Reserves)	(286,250)	932,798	1,278,793	1,317,157	1,356,672	1,397,372	1,439,293	1,482,472	1,526,946	1,572,754	1,619,937
Refinance Proceeds	0	0	0	0	0	0	0	0	0	0	0
Less: Reserves	0	0	0	0	0	0	0	0	0	0	0
Less: Debt Service	0	(316,959)	(949,328)	(949,328)	(949,328)	(949,328)	(949,328)	(949,328)	(949,328)	(949,328)	0
Cash Flow After Debt Service	(286,250)	615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	623,426	1,619,937
Less: Mortgage Origination Fee	0	0	0	0	0	0	0	0	0	0	0
Less: Capital Expenses	0	0	0	0	0	0	0	0	0	0	0
Other Non-Regular Income	286,250	0	0	0	0	0	0	0	0	0	0
Distributable Cash Flow	0	615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	623,426	1,619,937
Reversion Analysis (if sold in this year)											
Reversion Cash Flow	14,350,735	19,673,743	20,263,955	20,871,874	21,498,030	22,142,971	22,807,260	23,491,478	24,196,222	24,922,109	
Less: Cost of Sale	(71,754)	(98,369)	(101,320)	(104,359)	(107,490)	(110,715)	(114,036)	(117,457)	(120,981)	(124,611)	
Less: Mortgage Exit Fee	(87,967)	(131,950)	(130,330)	(128,609)	(126,783)	(124,844)	(122,785)	(120,600)	(118,279)	(115,816)	
Less: Mortgage Balance	(8,796,667)	(13,195,000)	(13,032,964)	(12,860,934)	(12,678,293)	(12,484,388)	(12,278,522)	(12,059,960)	(11,827,917)	(11,581,562)	
Return of Reserve Funds	13,750	13,750	13,750	13,750	13,750	13,750	13,750	13,750	13,750	13,750	
Reversion Balance	5,408,098	6,262,174	7,013,092	7,791,721	8,599,214	9,436,775	10,305,666	11,207,211	12,142,795	13,113,871	

Periods	0	1	2	3	4	5	6	7	8	9	10	IRR	NPV
1	(7,105,000)	5,408,098	-	-	-	-	-	-	-	-	-	-23.9%	(2,188,547)
2	(7,105,000)	-	6,878,013	-	-	-	-	-	-	-	-	-1.6%	(1,420,692)
3	(7,105,000)	-	615,838	7,342,557	-	-	-	-	-	-	-	4.0%	(1,079,471)
4	(7,105,000)	-	615,838	329,465	8,159,550	-	-	-	-	-	-	6.7%	(775,428)
5	(7,105,000)	-	615,838	329,465	367,829	9,006,557	-	-	-	-	-	8.3%	(504,915)
6	(7,105,000)	-	615,838	329,465	367,829	407,343	9,884,818	-	-	-	-	9.2%	(264,628)
7	(7,105,000)	-	615,838	329,465	367,829	407,343	448,044	10,795,631	-	-	-	9.9%	(51,576)
8	(7,105,000)	-	615,838	329,465	367,829	407,343	448,044	489,965	11,740,355	-	-	10.3%	136,950
9	(7,105,000)	-	615,838	329,465	367,829	407,343	448,044	489,965	533,144	12,720,413	-	10.6%	303,400
10	(7,105,000)	-	615,838	329,465	367,829	407,343	448,044	489,965	533,144	577,618	13,737,297	10.8%	449,992