

Multi-Family Asset Acquisition and Renovation Analysis - Summary of Major Assumptions

GENERAL, TIMING AND RENOVATION STRATEGY BASICS					
Property	123 Collins Lane, Miami Beach, FL		22,600 RSF	30 Units	
Parking			13 Spaces	0.43/Unit	
Acquisition Closing Date	05/01/2012	(Month 0)	Operations Start Date	5/1/12	(Month 1)
Asset Hold Period (Whole years)				8 Years	
Disposition of Asset			Month # 96	4/30/20	sed Yr / Start Month

Individual Unit Renovations Start Date/Duration	07/01/2012	36 Mos.	End Date	6/30/15
Post-Unit Renovation Savings	Utilities	10%	Repairs & Maintenance	50%

Average Unit Renovation and Re-Marketing Durations (Down Months)				
Renovation	2 Months	Marketing	1 Months	Total Down Months 3 Months

CURRENT UNIT MIX AND LEGAL/MARKET RENTS						
Unit Type	# of Units	RSF	Ave. Monthly Legal/Market Rent			
		Average	Total	\$/Unit	\$/Month	\$/SF
Studio	4	525 RSF	2,100 RSF	\$681	\$2,725	\$1.30
1 Bd / 1 Ba	3	607 RSF	1,820 RSF	\$792	\$2,375	\$1.30
1 Bd / 1.5 Ba	2	635 RSF	1,270 RSF	\$888	\$1,775	\$1.40
2 Bd / 1 Ba	3	670 RSF	2,010 RSF	\$1,050	\$3,150	\$1.57
2 Bd / 1.5 Ba	2	750 RSF	1,500 RSF	\$1,250	\$2,500	\$1.67
2 Bd / 2 Ba	1	750 RSF	750 RSF	\$1,250	\$1,250	\$1.67
2 Bd / 2.5 Ba	1	770 RSF	770 RSF	\$1,300	\$1,300	\$1.69
3 Bd / 1 Ba	2	770 RSF	1,540 RSF	\$1,350	\$2,700	\$1.75
3 Bd / 1.5 Ba	1	770 RSF	770 RSF	\$1,400	\$1,400	\$1.82
3 Bd / 2 Ba	1	800 RSF	800 RSF	\$1,475	\$1,475	\$1.84
3 Bd / 2.5 Ba	1	980 RSF	980 RSF	\$1,725	\$1,725	\$1.76
3 Bd / 3 Ba	1	800 RSF	800 RSF	\$1,475	\$1,475	\$1.84
3 Bd / 3.5 Ba	8	936 RSF	7,490 RSF	\$1,663	\$13,300	\$1.78
0	0	0 RSF	0 RSF	\$0	\$0	\$0.00
Average/Total	30	753 RSF	22,600 RSF	\$1,238	\$37,150	\$1.64

ESTIMATED ANNUAL OTHER INCOME AND PASSTHROUGHS FOR 2012				
Escalation from TTM Data	1.00%			
Other Income (2012)	TTM Actuals			\$/Year
Parking	\$0	Per Spot Per Year	\$0	\$0
Late Fees	\$0			\$0
Termination Fees	\$0			\$0
Other Tenant	\$0			\$0
Laundry	\$0	Per Unit Per Year	\$0	\$0
Application Fee	\$0			\$0
Other/Misc.	\$2,853			\$2,882
Cable	\$0			\$0
Retail	\$0			\$0
Total	\$2,853	Per Unit Per Year	\$96	\$2,882
Passthroughs (2012)				\$0

ESTIMATED ANNUAL EXPENSES FOR 2012			
Escalation from TTM Data	0.00%		
Operating Expenses		\$/Year	Per Unit % of EGI
Utilities		\$20,421	\$681 4.80%
Payroll Expenses		\$0	\$0 0.00%
General & Administrative		\$0	\$0 0.00%
Marketing and Advertising		\$0	\$0 0.00%
Contract Maintenance		\$0	\$0 0.00%
Turnover Costs		\$0	\$0 0.00%
Repairs and Maintenance		\$9,821	\$327 2.31%
Insurance		\$17,748	\$592 4.17%
Licenses/Permits/Other		\$0	\$0 0.00%
Total Oper. Expenses		\$47,990	\$1,600 11.28%
Real Estate Taxes		\$23,604	\$787 5.55%
Management Fees		\$15,000	\$500 3.53%
Replacement Reserve		\$0	\$0 0.00%
Total Expenses		\$86,594	\$2,886 20.36%
Asset Management Fee (% of EGI)			1.00%
Annual Growth Rates	OpEx, Fees and Reserves	3.00%	RE Taxes 4.00%

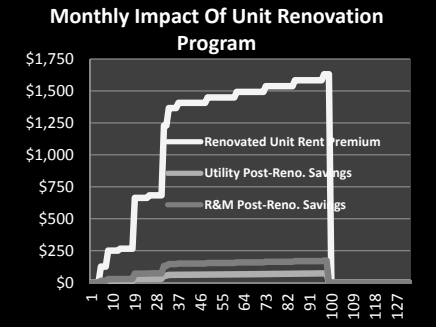
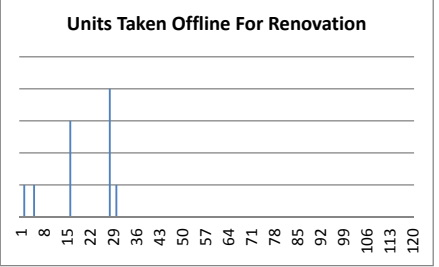
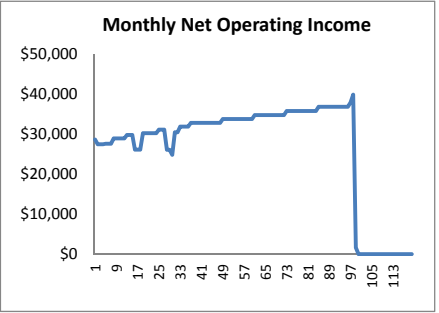
RENT GROWTH AND RENOVATION SCHEDULE							
Units Renovated/Unrenovated:		10 Units /20 Units		* Unescalated			
Average Monthly Rent Increase After Unit Renovation				10.09%	\$125		
Average Market Rent After Vacancy / Renovation (Unescalated)				\$1,238	\$1,363		
				\$1.64 PSF	\$1.81 PSF		
				Cost/ Unit	Add'l Rent *		
						Leases Ending	
0	NA			NA	NA		
1	May-12	3.00%		3.00%	2	\$7,500	17
2	May-13	3.00%		6.09%	3	\$7,725	0
3	May-14	3.00%		9.27%	5	\$7,957	0
4	May-15	3.00%		12.55%	0	\$8,195	0
5	May-16	3.00%		15.93%	0	\$8,441	0
6	May-17	3.00%		19.41%	0	\$8,695	0
7	May-18	3.00%		22.99%	0	\$8,955	0
8	May-19	3.00%		26.68%	0	\$9,224	0
9	May-20	3.00%		30.48%	0	\$9,501	0
10	May-21	3.00%		34.39%	0	\$9,786	0
11	May-22			34.39%	0	\$10,079	0
					10	\$77,959	17

GROSS RENT DEDUCTIONS AND NON-REVENUE UNITS						
Year		1	2	3	4	5
Gross Rent Deductions	TTM	2012	2013	2014	2015	2016
Loss to Lease (New Leases)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vacancy Loss Residential	4.36%	4.00%	4.00%	4.00%	4.00%	4.00%
Rent Concessions (Existing Tenants)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Write Off	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	4.36%	4.00%	4.00%	4.00%	4.00%	4.00%
Non-Revenue Unit(s)		0	0	0	0	0
Year		6	7	8	9	10
Gross Rent Deductions	2017	2018	2019	2020	2021	2022
Loss to Lease (New Leases)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vacancy Loss Residential	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Rent Concessions (Existing Tenants)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Write Off	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Non-Revenue Unit(s)		0	0	0	0	0

ACQUISITION, REFINANCING & DISPOSITION			
Acquisition Costs	Current NOI	\$189,070	Purchase Price \$2,800,000
Closing Costs (Incl. Settlement, Feasibility, and Legal)			Going-in Cap Rate: 6.75% \$40,000
Acquisition Fee	1.00% of Purchase Price		\$28,000
Broker Fee	0.00% of Purchase Price		\$0
Recording Fees/Misc.	0.05% of Purchase Price		\$1,400
Transfer Tax	0.550% of Purchase Price		\$15,400
Renovation Budget			\$77,959
Unleveraged Uses	\$2,962,759		Loan Fee \$10,370
			Total Leveraged Uses \$2,973,128

Debt: Acquisition Loan			70% LTC
Loan Principal Amount	\$2,073,931		1 Years
Annual Interest Rate	5.45%		30 Years
Monthly Payment	(\$11,711)		Annual Debt Service (\$140,527)
Equity	30% Acquisition Cost		Initial Deficits Total
Owner / Sponsor Equity	10.00%		\$89,920 \$369 \$90,289
Third Party Investor	90.00%		\$809,278 \$3,323 \$812,600
Total Equity Contribution	100.00%		\$899,197 \$3,692 \$902,889
Permanent Loan (Refinancing) *			Interest-Only Period 1 Years
Refinancing Timing (Enter 0 if none)	Month 48	7/1/16	Amortization Period 30 Years
Interest Rate	5.75%		Loan/Broker Fees/Closing Costs 1.00%
Loan Amount *	\$2,816,093		Annual Debt Service (\$197,207)
Monthly Debt Service	(\$16,434)		Acquisition Loan Remaining Principal at Refinancing \$1,987,217
			Excess Proceeds to Equity upon Refinancing \$800,715
Disposition			Selling Costs 2.00%
Capitalization Rate	5.00%		Net Proceeds \$8,934,354
Gross Valuation	\$9,116,688		

INVESTMENT SUMMARY	
Purchase Cap Rate	6.75%
GRM	6.28x
Per Unit	\$93,333
Per RSF	\$123.89
Levered Cash Flow	\$7,888,467
Levered IRR	49.14%
Total Equity	\$899,197
Multiple on Equity	9.74x



Permanent Loan Test	
Annual NOI at Point of Refi.	\$394,253
Capitalization Rate at Refi.	7.00%
Gross Valuation at Refi.	\$5,632,185
Maximum LTV	50%
Max. Loan Proceeds	\$2,816,093
Annual NOI at Refi.	\$394,253
Required DSC Ratio	1.20
Max. Allowable Debt Service	\$328,544
Max. Loan Proceeds	\$4,691,561

* The Lesser of the Two Max. Proceeds Amounts Above

123 Collins Lane, Miami Beach, FL

Rent Roll

Unit Count	Unit #	Unit Type <small>(Bed. Bath. 1/2 Bath)</small>	Rentable SF	Tenant	Lease End Date	Legal Rent/ Market Rent	Renovated? (1 = Yes)	Rent PSF
1	1	0.1.0	500 RSF	John Doe	M/M	\$650	0	\$1.30
2	2	0.1.0	500 RSF	John Doe	M/M	\$650	0	\$1.30
3	3	0.1.0	500 RSF	John Doe	4/30/2013	\$650	0	\$1.30
4	4	0.1.0	600 RSF	John Doe	4/29/2013	\$775	0	\$1.29
5	5	1.1.0	600 RSF	John Doe	M/M	\$775	0	\$1.29
6	6	1.1.0	600 RSF	John Doe	6/30/2013	\$775	1	\$1.29
7	7	1.1.0	620 RSF	John Doe	M/M	\$825	1	\$1.33
8	8	1.1.1	620 RSF	John Doe	M/M	\$825	1	\$1.33
9	9	1.1.1	650 RSF	John Doe	10/31/2013	\$950	1	\$1.46
10	10	2.1.0	650 RSF	John Doe	9/30/2013	\$950	1	\$1.46
11	11	2.1.0	680 RSF	John Doe	8/31/2013	\$1,100	1	\$1.62
12	12	2.1.0	680 RSF	John Doe	11/30/2012	\$1,100	1	\$1.62
13	13	2.1.1	750 RSF	John Doe	11/30/2012	\$1,250	1	\$1.67
14	14	2.1.1	750 RSF	John Doe	11/30/2012	\$1,250	1	\$1.67
15	15	2.2.0	750 RSF	John Doe	11/30/2012	\$1,250	1	\$1.67
16	16	2.2.1	770 RSF	John Doe	12/1/2012	\$1,300	0	\$1.69
17	17	3.1.0	770 RSF	John Doe	4/1/2013	\$1,300	0	\$1.69
18	18	3.1.0	770 RSF	John Doe	5/1/2014	\$1,400	0	\$1.82
19	19	3.1.1	770 RSF	John Doe	6/1/2013	\$1,400	0	\$1.82
20	20	3.2.0	800 RSF	John Doe	4/1/2013	\$1,475	0	\$1.84
21	21	3.3.0	800 RSF	John Doe	8/1/2012	\$1,475	0	\$1.84
22	22	3.3.1	875 RSF	John Doe	5/1/2013	\$1,525	0	\$1.74
23	23	3.3.1	875 RSF	John Doe	6/1/2012	\$1,525	0	\$1.74
24	24	3.3.1	890 RSF	John Doe	4/1/2013	\$1,600	0	\$1.80
25	25	3.3.1	890 RSF	John Doe	8/1/2013	\$1,600	0	\$1.80
26	26	3.2.1	980 RSF	John Doe	M/M	\$1,725	0	\$1.76
27	27	3.3.1	980 RSF	John Doe	M/M	\$1,725	0	\$1.76
28	28	3.3.1	980 RSF	John Doe	12/1/2013	\$1,725	0	\$1.76
29	29	3.3.1	1,000 RSF	John Doe	5/1/2013	\$1,800	0	\$1.80
30	30	3.3.1	1,000 RSF	John Doe	M/M	\$1,800	0	\$1.80
Total			22,600 RSF			\$37,150	10	
Annual						\$445,800		
Average Monthly						\$1,238		
Average Monthly PSF						\$1.64		

Lease Endings											
Unit #	Elapsed Year										
	1	2	3	4	5	6	7	8	9	10	
Year Start:	5/1/2012	5/1/2013	5/1/2014	5/1/2015	5/1/2016	5/1/2017	5/1/2018	5/1/2019	5/1/2020	5/1/2021	5/1/2022
1	0	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0	0
3	1	0	0	0	0	0	0	0	0	0	0
4	1	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0
6	0	1	0	0	0	0	0	0	0	0	0
7	0	0	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0	0
9	0	1	0	0	0	0	0	0	0	0	0
10	0	1	0	0	0	0	0	0	0	0	0
11	0	1	0	0	0	0	0	0	0	0	0
12	1	0	0	0	0	0	0	0	0	0	0
13	1	0	0	0	0	0	0	0	0	0	0
14	1	0	0	0	0	0	0	0	0	0	0
15	1	0	0	0	0	0	0	0	0	0	0
16	1	0	0	0	0	0	0	0	0	0	0
17	1	0	0	0	0	0	0	0	0	0	0
18	0	0	1	0	0	0	0	0	0	0	0
19	0	1	0	0	0	0	0	0	0	0	0
20	1	0	0	0	0	0	0	0	0	0	0
21	1	0	0	0	0	0	0	0	0	0	0
22	0	1	0	0	0	0	0	0	0	0	0
23	1	0	0	0	0	0	0	0	0	0	0
24	1	0	0	0	0	0	0	0	0	0	0
25	0	1	0	0	0	0	0	0	0	0	0
26	0	0	0	0	0	0	0	0	0	0	0
27	0	0	0	0	0	0	0	0	0	0	0
28	0	1	0	0	0	0	0	0	0	0	0
29	0	1	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
	12	9	1	0	0	0	0	0	0	0	0

123 Collins Lane, Miami Beach, FL

Capital Structure For Acquisition, Operation, And Renovation, if any

(Bar heights are not to scale.)

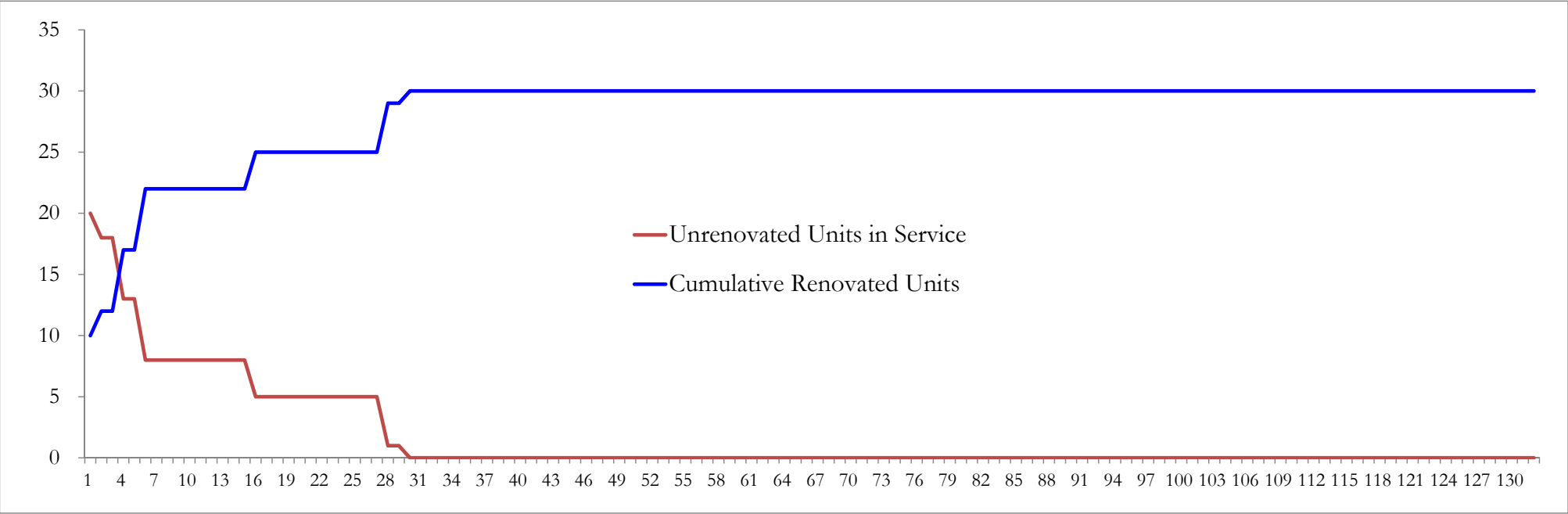
	Acquisition				Operation/ Renovation	Total Equity
	Acquisition Debt	Acquisition Equity Amount **	% Equity	Total Acquisition Costs	% Total Acquisition Costs	Deficits, pro-rata
Sponsor Equity		\$89,920	10.00%		3.02%	\$369
Third Party Investor Equity		\$809,278	90.00%		27.22%	\$3,323
Acquisition Loan *	\$2,073,931				69.76%	
Total	\$2,073,931	\$899,197		\$2,973,128	100%	\$3,692
						\$902,889

* The Loan total is calculated off of all uses of funds excluding the Loan Fee, which is funded by Equity.

** Equity amounts in this column do not include the pro-rata portion of any Deficits to be funded by the Equity investors. See Column N for adjusted totals.

123 Collins Lane, Miami Beach, FL

Renovation Schedule As Modeled (x-axis is the month #)



Lease Expiration Schedule Per Rent Roll Tab

	5/1/2012	6/1/2012	7/1/2012	8/1/2012	9/1/2012	10/1/2012	11/1/2012	12/1/2012	1/1/2013	2/1/2013	3/1/2013	4/1/2013	5/1/2013
22 Expirations	0	1	0	1	0	0	4	1	0	0	0	5	2
GPR	\$0	\$1,525	\$0	\$1,475	\$0	\$0	\$4,850	\$1,300	\$0	\$0	\$0	\$5,800	\$3,325

Disposition Date		4/30/20														
Newly Renovated Units Put In Service		20														
123 Collins Lane, Miami Beach, FL																
Annual Cash Flow Forecast, Including the Year After the Year of Disposition																
		Income Growth Rate	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	0.00%		
		Expense Growth Rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Year Start Date			4/30/2011	5/1/2012	5/2/2013	5/3/2014	5/4/2015	5/5/2016	5/6/2017	5/7/2018	5/8/2019	5/9/2020	5/10/2021	5/11/2022	5/12/2023	
Year End Date			4/30/2012	5/1/2013	5/2/2014	5/3/2015	5/4/2016	5/5/2017	5/6/2018	5/7/2019	5/8/2020	5/9/2021	5/10/2022	5/11/2023	5/12/2024	
Elapsed Year	TTM Actuals		0	1	2	3	4	5	6	7	8	9	10	11	12	
Economic Occupancy %		95.6%	N/A	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	N/A	N/A	N/A	
Data Series Profile		Total	Acquisition					Disposition								
GROSS INCOME																
Gross Potential Revenue		\$4,528,930	\$285,240		\$445,800	\$459,174	\$472,949	\$487,138	\$501,752	\$516,804	\$532,309	\$548,278	\$564,726	\$0	\$0	\$0
Vacancy Loss - Renovation/Down Units		(\$75,766)	\$0		(\$44,580)	(\$11,479)	(\$19,706)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renovated Unit Rent Premium		\$276,552	\$0		\$8,250	\$21,483	\$28,411	\$33,765	\$34,778	\$35,822	\$36,896	\$38,003	\$39,143	\$0	\$0	\$0
Prepay Income		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Month's Rent		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loss to Lease		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL MINIMUM RENT		\$4,729,716	\$285,240		\$409,470	\$469,178	\$481,654	\$520,903	\$536,530	\$552,626	\$569,205	\$586,281	\$603,869	\$0	\$0	\$0
Vacancy Loss																
Vacancy Loss Residential		(\$189,189)	(\$12,429)		(\$16,379)	(\$18,767)	(\$19,266)	(\$20,836)	(\$21,461)	(\$22,105)	(\$22,768)	(\$23,451)	(\$24,155)	\$0	\$0	\$0
Non-Revenue Unit(s)		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Vacancy Loss		(\$189,189)	(\$12,429)		(\$16,379)	(\$18,767)	(\$19,266)	(\$20,836)	(\$21,461)	(\$22,105)	(\$22,768)	(\$23,451)	(\$24,155)	\$0	\$0	\$0
Collection Loss																
Rental, Non-Recurring & Other Concessions		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Write Off		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Collection Loss		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income (Includes Retail)		\$30,066	\$2,853		\$2,882	\$3,057	\$3,149	\$3,243	\$3,340	\$3,441	\$3,544	\$3,650	\$3,760	\$0	\$0	\$0
Passthroughs		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EFFECTIVE GROSS INCOME		\$4,570,593	\$275,664		\$395,973	\$453,468	\$465,536	\$503,310	\$518,409	\$533,962	\$549,980	\$566,480	\$583,474	\$0	\$0	\$0
OPERATING EXPENSES																
Utilities		(\$207,459)	(\$20,421)		(\$20,421)	(\$21,034)	(\$21,665)	(\$22,315)	(\$22,984)	(\$23,674)	(\$24,384)	(\$25,115)	(\$25,869)	\$0	\$0	\$0
+ New Renovation Savings		\$12,195	\$0		\$374	\$947	\$1,252	\$1,488	\$1,532	\$1,578	\$1,626	\$1,674	\$1,725	\$0	\$0	\$0
Payroll Expenses		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General & Administrative		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing and Advertising		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contract Maintenance		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Turnover Costs		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repairs and Maintenance		(\$99,773)	(\$9,821)		(\$9,821)	(\$10,116)	(\$10,419)	(\$10,732)	(\$11,054)	(\$11,385)	(\$11,727)	(\$12,079)	(\$12,441)	\$0	\$0	\$0
+ New Renovation Savings		\$29,325	\$0		\$900	\$2,276	\$3,010	\$3,577	\$3,685	\$3,795	\$3,909	\$4,026	\$4,147	\$0	\$0	\$0
Insurance		(\$180,304)	(\$17,748)		(\$17,748)	(\$18,280)	(\$18,829)	(\$19,394)	(\$19,976)	(\$20,575)	(\$21,192)	(\$21,828)	(\$22,483)	\$0	\$0	\$0
Licenses/Permits/Other		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes		(\$249,486)	(\$23,604)		(\$23,604)	(\$24,548)	(\$25,530)	(\$26,551)	(\$27,613)	(\$28,718)	(\$29,867)	(\$31,061)	(\$31,993)	\$0	\$0	\$0
Management Fees		(\$152,387)	(\$15,000)		(\$15,000)	(\$15,450)	(\$15,914)	(\$16,391)	(\$16,883)	(\$17,389)	(\$17,911)	(\$18,448)	(\$19,002)	\$0	\$0	\$0
Replacement Reserve		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES & RE TAXES		(\$847,887)	(\$86,594)		(\$85,319)	(\$86,205)	(\$88,094)	(\$90,317)	(\$93,292)	(\$96,367)	(\$99,545)	(\$102,830)	(\$105,915)	\$0	\$0	\$0
NET OPERATING INCOME		\$3,722,705	\$189,070		\$310,653	\$367,262	\$377,442	\$412,993	\$425,117	\$437,594	\$450,435	\$463,649	\$477,559	\$0	\$0	\$0

123 Collins Lane, Miami Beach, FL

Joint Venture Partnership Structure

Total Required Equity (Purchase + Operation)		\$953,810 (Includes Operating Deficit Funding)
Sponsor Equity	10.00%	\$95,381
Third Party Investor	<u>90.00%</u>	<u>\$858,429</u>
	100.00%	\$953,810

Profit Sharing Waterfall Hurdles and Promote Structure

		Preferred Return		Residual Split	
		8.00%			
Partnership Structure	% Total Equity				
Sponsor Equity	10.00%	<i>Profit>></i>	Sponsor Equity	10.00%	50.00%
Third Party Investor	90.00%	<i>Sharing>></i>	Sponsor Promote	0.00%	
		<i>Splits>></i>	Investor Equity	90.00%	50.00%
Total				100.00%	100.00%

Note: By its nature, the Preferred Return includes the Return of Capital.

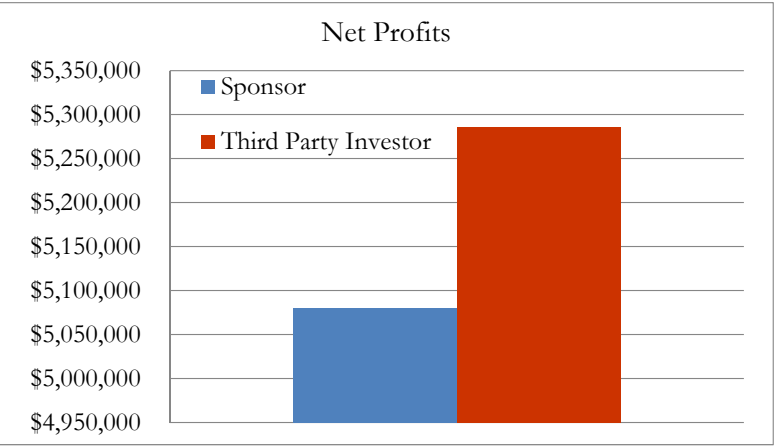
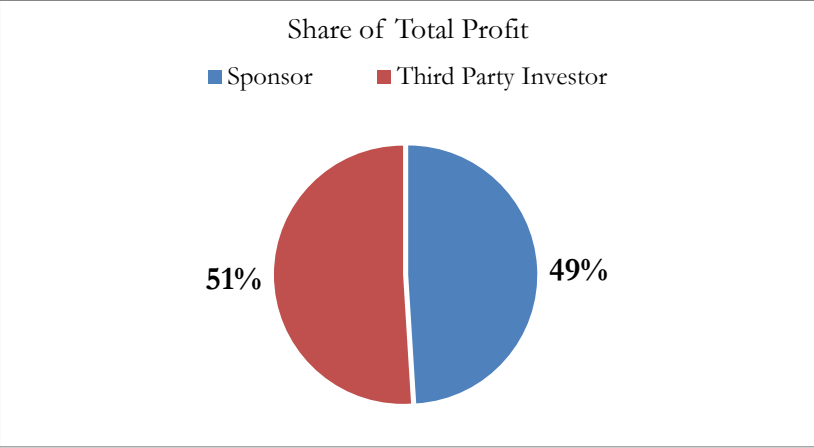
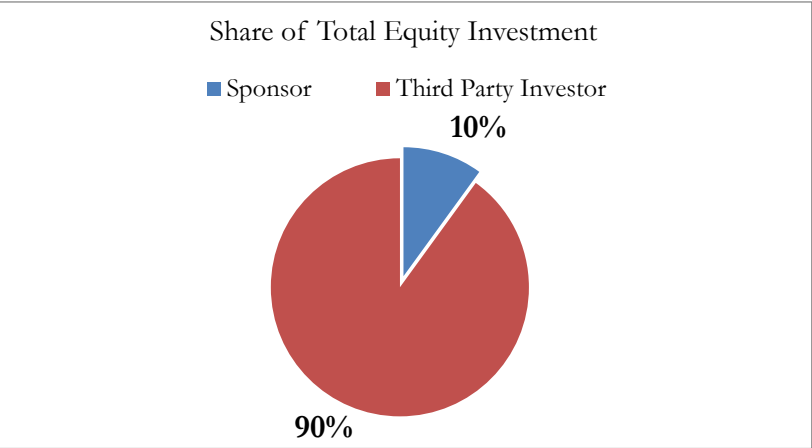
123 Collins Lane, Miami Beach, FL

Joint Venture Return Detail

	Sponsor	Third Party Investor	Total Project
Equity Investment	\$95,381	\$858,429	\$953,810
Share of Equity Investment	10.00%	90.00%	100.00%
Gross Return	\$5,175,294	\$6,144,547	\$11,319,841
Net Profit (Return on Equity)	\$5,079,913	\$5,286,118	\$10,366,031
Multiple on Equity	54.26x	7.16x	11.87x
Internal Rate of Return	73.80%	37.39%	45.64%
Time from Equity Investment to Final Return (months)	96	96	96

Profit Sharing Summary - Sponsor and Third Party Investor					
Tier	Sponsor Cashflow	Sponsor Share	Third Party Investor Cashflow	Third Party Investor Share	Total Cashflow
Return of Capital and Pref. Return	\$121,157	10%	\$1,090,410	90%	\$1,211,567
Tier 1	\$5,054,137	50%	\$5,054,137	50%	\$10,108,274
Total	\$5,175,294	46%	\$6,144,547	54%	\$11,319,841
Less Equity Investment	(\$95,381)	10%	(\$858,429)	90%	(\$953,810)
Net Profit (Return on Equity)	\$5,079,913	49%	\$5,286,118	51%	\$10,366,031

Profit Sharing Structure - Sponsor and Third Party Investor							
IRR Hurdle Ranges				Sponsor Promote	Sponsor Equity Pro-Rata Share	Investor Profit Share	Total (must be 100%)
Preferred Return From	0%	through	8%	0%	10%	90%	100%
Residual Split		Above	8%	40%	50%	50%	100%



Stabilized Pro Forma Executive Summary

123 Collins Lane, Miami Beach, FL

PROPERTY DESCRIPTION

Number of Apartment Units	30 Units	Date Analysis Prepared	05/17/2012
Net Rentable Area	22,600 SF		
Average Unit Size	753 SF	Purchase Price	\$2,800,000
		Per Unit	\$93,333
Renovation Program Start	07/01/2012	Per RSF	\$124
Renovation Program End	06/30/2015		

FINANCIAL RETURNS

<u>Project Yields</u>	<u>Year</u>	
Yield on Purchase Price	2012	12.29%
Yield on Total Cost	2012	11.29%
Post-Renovation Return on Total Cost	07/01/2015	13.01%

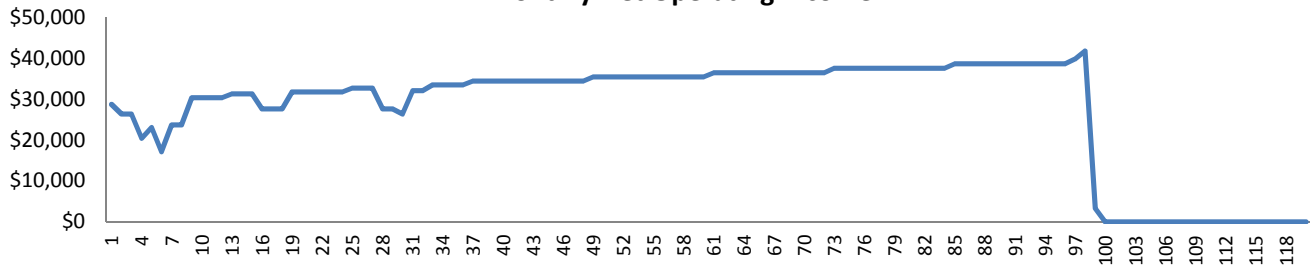
RENTAL OPERATIONS - BEFORE FULLY RENOVATED, POST-RENOVATION, AT DISPOSITION

<i>Annualized Values based on Monthly Data</i>	<u>05/01/2012</u>	<u>07/01/2015</u>	<u>04/30/2020</u>
Effective Gross Income	\$430,850	\$503,310	\$566,480
Property Expenses	(86,594)	(90,317)	(102,830)
Replacement Reserves	\$0	(16,391)	(18,448)
Net Operating Income	\$344,256	\$396,602	\$445,201
Total Expenses Per Unit *	\$2,886	\$3,557	\$4,043
% of EGI	21.87%	21.20%	21.41%
* Includes Replacement Reserves			

PARTNERSHIP STRUCTURE AND PRE-TAX RETURNS

	Project	Third Party Investor	Sponsor
Equity Investment	\$953,810	\$858,429	\$95,381
Share of Equity Investment	100.00%	90.00%	10.00%
Net Return on Equity	\$10,366,031	\$5,286,118	\$5,079,913
Multiple on Equity	11.87x	7.16x	54.26x
IRR	45.64%	37.39%	73.80%

Monthly Net Operating Income



Monthly Impact Of Unit Renovation Program

